REPUBLIC OF TURKEY
ANKARA UNIVERSITY
GRADUATE SCHOOL OF SOCIAL SCIENCES
DEPARTMENT OF INTELLECTUAL PROPERTY RIGHTS, TECHNOLOGY POLICIES AND INNOVATION MANAGEMENT

TRADEMARK COEXISTENCE AGREEMENT

Master Thesis

Gülberk AÇIK

ANKARA - 2019

REPUBLIC OF TURKEY
ANKARA UNIVERSITY
GRADUATE SCHOOL OF SOCIAL SCIENCES
DEPARTMENT OF INTELLECTUAL PROPERTY RIGHTS, TECHNOLOGY POLICIES AND INNOVATION MANAGEMENT

TRADEMARK COEXISTENCE AGREEMENT

MASTER THESIS

Gülberk AÇIK

Thesis Supervisor

Assistant Professor Selin ÖZDEN MERHACI

ANKARA – 2019

REPUBLIC OF TURKEY
ANKARA UNIVERSITY
GRADUATE SCHOOL OF SOCIAL SCIENCES
DEPARTMEN OF INTELLECTUAL PROPERT RIGHTS, TECHNOLOGY
POLICIES AND INNOVATION MANAGEMENT
INTELLECTUAL PROPERTY LAW

TRADEMARK COEXISTENCE AGREEMENT

MASTER THESIS

Thesis Supervisor
Assistant Professor Selin OZDEN MERHACI

JURY MEMBER OF THE THESIS

Name and Surname	Signature
1- Dr. Öğr. Üyesi Selin ÖZDEN MERHACI	
2- Dr. Öğr. Üyesi Zehra Özcan Üner	
3- Doç. Dr. Hüseyin Can Aksoy	
4-	
5-	

Date of Thesis Defense

17.12.2019

TO THE DIRECTORATE OF TURKISH REPUBLIC
ANKARA UNIVERSITY
GRADUATE SCHOOL OF SOCIAL SCIENCES

I hereby declare that all information in my master thesis named "Trademark Coexistence Agreement" which has been prepared by the supervision of Assistant Professor Selin ÖZDEN MERHACI has been gathered and submitted in compliance with academic rules and ethical conduct principles and the data obtained from other sources has been indicated both in the text and references, precisely. I also declare that I have acted according to scientific research and ethical rules during the study process and if otherwise come forth, I will accept all legal consequences. (20 / 12 / 2019)

Gülberk AÇIK

ACKNOWLEDGEMENT

I would like to thank to my dear friends who always motivated and encouraged me throughout my thesis process. Especially, my completion of this project could not have been accomplished without the support of Mr. and Mrs. Bozkurt.

I would also like to thank my dear supervisor Assistant Professor Selin Ozden Merhaci. She consistently allowed this paper to be my own work but steered me in the right direction whenever I needed it. My sincere thanks also goes to Dr. Elif Betül Akın and Assistant Professor Zehra Ozkan for their valuable guidance.

Finally, I must express my very profound gratitude to my family for their endless love and support. This accomplishment would not have been possible without them. I dedicate this work to my beloved mother and father.

TABLE OF CONTENTS

CHAPTER THREE

BASIS OF TRADEMARK COEXISTENCE AGREEMENTS

CHAPTER FOUR

CLAUSES UNDER TRADEMARK COEXISTENCE AGREEMENT

LIST OF ABBREVIATIONS

Art.	: Article
BCJ	: Benelux Court of Justice
CJEU	: Court of Justice of European Union
e.g.	: Exempli Gratia (For example)
etc.	: et cetera
EU	: European Union
EUTMR	: European Union Trade Mark Regulation
fn	: footnote
INTA	: International Trademark Association
OHIM	: Office for Harmonisation in the Internal Market
para.	: Paragraph
TFEU	: Treaty on the Functioning of the European Union
TRIPS	: Trade-Related Aspects of Intellectual Property Rights
TTAB	: Trademark Trial and Appeal Board
U.S.A.	: United States of America
UK	: United Kingdom
USPTO	: United States Patent and Trademark Office
WIPO	: World Intellectual Property Organization

INTRODUCTION

The coexistence of trademark come to existence as a requirement despite principle of specialty. As a result of this requirement, it is accepted that trademark owners who have same or similar trademarks may enter into a contract with their consent for coexistence of their trademarks, which are likely to confuse and cannot be coexist under principle of specialty, normally. That agreement is called trademark coexistence agreement.

Although Trademark Coexistence Agreement is not a new phenomenon, it was entered into Turkish Law with the new Industrial Property Law. There are very few sources regarding this agreement, especially in terms of Turkish Law. In this study, trademark coexistence agreements have been evaluated within the scope of world practices, especially in European Union and American Law. With this study, we tried to guide the implementation of these special agreements in Turkish law.

This thesis has become a resource not only in terms of Turkish Law, but also in terms of addressing different country practices. While evaluating the contract within the scope of the thesis, an examination was made in the context of law of obligations and competition law.

In this study we addressed trademark coexistence agreement under four chapter. In the first chapter; the concept of trademark, the functions of the trademarks are explained and the effect of the discussion of whether the trademark recognizes the property right to the owner of the trademark has been examined.

In the second chapter, the coexistence of trademarks and the principle of specialty in the trademark law are evaluated. Afterwards, the difference between the trademark coexistence agreement from similar institutions and the motivations of the parties who are willing to conclude trademark coexistence agreement are mentioned.

In the third chapter, the limits of the trademark coexistence agreement are evaluated in detail; and in this context the likelihood of confusion and competition law is examined. Finally, the economic impacts of the contract are mentioned.

In the last chapter, the provisions of the contract and the issues that the parties should consider while drafting the contract are discussed. Under this section, the points that has to be taken into consideration in order to prevent possible disputes are given especially from the previous judicial decisions. Our study will be concluded with the conclusion section.

CHAPTER ONE

AN OVERVIEW ABOUT TRADEMARKS

In the ancient times, long before writing is invented, people marked their animals to indicate their ownership over animals.[1] After that time, marks started to be used not only restricted by animals but also for goods, services, even for slaves and prisoners, under different aims.[2]

Over the years, especially with the Industrial Revolution, goods and services have become more accessible all over the world. Therefore, at both national and international level, trade has become more widespread. Industrial Revolution also facilitated production activities, transportation of goods and services and distribution net. Thus, "signs, symbols and marks" which under certain circumstances it is called trademark, become important for distinguishing goods and services, advertising, indicating sources of goods or products and so on.

In the late nineteenth century, trademarks classified as property.[3] Correspondingly, the trademark owner has possessed of every right which a property owner has.[4] To be more specific, that exclusive right entitles trademark owner to prevent all third parties, acting without his consent, from using any sign which is identical to his

---

[1] **DIAMOND** Sidney A.: The Historical Development of Trademarks, The Trademark Reporter, Vol. 65, 1975, p. 267.

[2] **DIAMOND,** p. 273.

[3] **MCCLURE,** Daniel M.: Trademarks and Unfair Competition: A Critical History of Legal Thought, Trademark Reporter, Vol 6, 1979, p. 317; **BONE,** Robert G., Hunting Goodwill: A History Of The Concept Of Goodwill In Trademark Law(Goodwill), Boston University Law Review, 2006, Vol: 86 (3), p.20.

[4] **MCCLURE,** p. 318.

own registered trademark.[5] Due to this exclusive right, the trademark owner faced with infringements frequently. Therefore, a need for trademark protection system came to exist.

According to trademark protection system, in order to provide trademark protection, two marks which is same or similar, could not be registered in the same territory if they are used for the same goods or services. The reason for this rule is preventing protected trademark from likelihood of confusion. However, in some cases, the strict implementation of this rule may create contradiction over trademark owners' will. For example; what if Company A and Company B, whose trademarks are the same, agree to use and register their trademarks without incurring a violation in the same region?

Recently, a legal solution for registration of trademarks which are same or similar has stand on a basis. This solution is called "Trademark Coexistence Agreement" which is subject matter of this thesis.

In order to understand Trademark Coexistence Agreements' structure, a general information about trademarks is essential. Main information about trademarks may help to understand sources of different point-of-views about Trademark Coexistence Agreement and why that agreement is important. Hence in this chapter definition of trademark, property and non-property views about trademarks and functions of trademark will be explained.

---

5 Adam Opel AG v Autec AG, ECJ 25 January 2007, Case C-48/05, para. 16, **http://curia.europa.eu**(Access Date and Time: 20.04.2019, 10.54).

1.1. The Definition of Trademark

World Intellectual Property Organization (WIPO)[6], which is a global trademark forum with its 192 members, defined trademark as *"a sign capable of distinguishing the goods or services of one enterprise from those of other enterprises."*[7] In the light of this definition, trademark has two key facts: a sign and distinguishing goods or services.

European Union Trademark Law has being modernized and harmonized since 2009 and there had been huge amendments to the definition of trademark and signs which trademark may consists.[8] Under this movement, the necessity of "being represented graphically" condition for trademarks was abolished.[9] In addition to this, a new condition has been introduced to be recognized as trademark: clarity and certainty.[10]

According to EUTMR Article 4, trademark may consist of *"any signs, in particular words, including personal names, or designs, letters, numerals, colours, the shape of goods or of the packaging of goods, or sounds, provided that such signs are*

---

[6] WIPO is the global forum for intellectual property services, policy, information and cooperation. WIPO, which was established in 1967, a self-funding agency of the United Nations, with 192 member states in 2019. **https://www.wipo.int/about-wipo/en/** (Access Date and Time: 10.05.2019, 17.38).

[7] Trademarks, What is A Trademark?, **https://www.wipo.int/** (Access Date and Time: 10.05.2019, 17.38)

[8] **KANEV,** Gorgi: Continuing EU Trade Mark Reform Codification & Detailed Procedures,September 2017, p.1, **http://files.peterkapartners.com** (Access Date and Time: 10.05.2019, 18.35); For the view that harmonization and modernization had been started in 1989 please see: **OZKAN,** Zehra: Avrupa özel hukukunun uyumlaştırılması, Ankara Üniversitesi Hukuk Fakültesi Dergisi 66 / 1, March 2017, p. 181-182.

[9] Regulation (Eu) 2017/1001 of The European Parliament and of the Council of 14 June 2017 on the European Union trade mark, Official Journal of the European Union (EUTMR), 16.06.2017, L 154/1, Article 4 **https://eur-lex.europa.eu**(Access Date and Time: 20.05.2019, 16.23) .

[10] **KARASU,** Rauf/**SULUK,** Cahit/**NAL** Temel: Fikri Mülkiyet Hukuku, 2018, Ankara, p. 162, fn. 14; **OGUZ,** Arzu: Concept of Due Cause Concerning Opposition on the Ground of Well-Known Trademark in Light of Judicial Decisions, Inonu University Law Review, INUHFD, C. 9, N.1,2018, p.419.

capable of: (a) distinguishing the goods or services of one undertaking from those of other undertakings; and (b) being represented on the register in a manner which enables the competent authorities and the public to determine the clear and precise subject matter of the protection afforded to its proprietor." Although, in the light of these definitions it must be noted that a sign and mark are not similar terms. A sign is broader than the term mark because all marks are a sign, but not all signs are a mark.[11] Trademarks must have the required characteristics for being a mark.

With the new regulations trademark definition in European Union become in a harmony with Trade-Related Aspects of Intellectual Property Rights[12]*("TRIPS")* Art. 15: *'Any sign, or any combination of signs, capable of distinguishing the goods or services of one undertaking from those of other undertakings'.* In both definition, trademarks described as signs which aims to distinguishing the goods or services from other goods or services.

In U.S. Lanham Act[13], trademark defined as *"any word, name, symbol, or device, or any combination thereof—(1) used by a person, or (2) which a person has a bona fide intention to use in commerce and applies to register on the principal register established by this chapter to identify and distinguish his or her goods, including a unique product, from those manufactured or sold by others and to indicate the source of the goods, even if that source is unknown."*. In Lanham Act once trademark is defined, in addition to

---

[11] **HUYDECOPER,** Tony/**NISBEN,** Constant One/**JEHOREM,** Tobias Cohen: European Trademark Law Community Trademark Law and Harmonized National Trademark Law, 2010, United Kingdom, p. 67.

[12] Agreement on Trade-Related Aspects of Intellectual Property Rights, 15 April 1994, Marrakesh Agreement Establishing the World Trade Organization, Annex 1C, 1869 U.N.T.S. 299, 33 I.L.M. 1197 (1994) **https://www.wto.org** (Access Date and Time: 20.05.2019, 18.07).

[13] U.S. Trademark Act (Lanham Act) § 45, 15 U.S.C. § 1127.

trademark definitions in EUTMR and TRIPS, trademarks' indicating the source function was also emphasized.

According to Turkish Industrial Property Code Law No. 6769 Article 4, trademark defined as: *"Trademarks may consist of any signs like words, including personal names, figures, colors, letters, numbers, sounds and the shape of goods or their packaging, provided that such signs are capable of distinguishing the goods or services of one undertaking from those of other undertakings and being represented on the register in a manner to determine the clear and precise subject matter of the protection afforded to its proprietor."*. This definition is also compatible with the other trademark definitions.

Trademarks may be protected under different systems: national, regional and international registrations. Therefore, trademarks definition may be different across the world; and registrable trademarks (colours, voices, smells, etc.) may change from country to country, however functions of trademark are universal. Main functions and property/non-property views of trademark are going to be explained below. These explanations aim to clarify original purpose of trademark law.

1.2. The Functions of Trademark

The functions of trademarks are transformed over time. Traditionally, guarantee of origin function (in other words indicating the source function) and distinguishing goods and services function came into prominence. With the development of trade, two more trademark functions occurred: Advertising function and guarantee function.[14] In this

[14] **KESER,** Yıldırım: Marka Hukukunda Kullanım Sonucu Ayırt Edicilik Kazandırma, Doctoral Dissertation, Istanbul, 2014, p.28; Introduction to Trademark Law and Practice, The Basic Concept, A WIPO Training Manuel, Geneva 1993, Second Edition, p. 11.

section, these four functions of trademarks are going to be explained.[15] Also, trademarks' distinctive character is going to be mentioned briefly under this section.

1.2.1. Distinguishing Goods and Services Function

Even if it is still disputable in doctrine and in jurisdictional cases, according to a view, main function of trademark is distinguishing goods and services from other goods and services.[16] With this function, trademarks have been specialized and personalized therefore consumers may distinguish the goods and services. [17]

EUTMR Article 7, which bears the title "Absolute Ground for Refusal", states that trademarks which are devoid of distinctive character shall not be registered. Also, Turkish Industrial Property Code Law No. 6769, Article 5/1(b) has the same regulation. The rationale of this articles is in conformity with main function of trademarks,

---

[15] According to **DIAMOND**, Trademark has 3 functions: Identification, Guarantee and Advertising function. **DIAMOND,** p. 289**.**

[16] **COLAK,** Ugur: Türk Marka Hukuku, 3rd Edition, Oniki Levha Yayınları, 2016, Istanbul, p. 14; **CORNISH,** William: Intellectual Property Omnipresent, Distracting, Irrelevant? ,Oxford University Press, 2006, p. 89; **KITCHIN,** David/ **LLEWELYN,** David**/ MELLOR,** James**/ MEADE,** Richard**/ MOODY STUART,** Thomas**/KEELING,** David: KERLY'S Law of Trade Marks and Trade Names, Fourteenth Edition, London Sweet Maxmell, 2005, p.8; **KARASU,** p.162, **HUYDECOPER/NISBEN/JEHOREM**, p. 68.

[17] **KARASU**, p.162.

distinguishing goods and services.[18] In this case, it must be noted that a mark could gain distinctive character by use.[19]

Distinguishing goods and services function are tight knit to risk of confusion, in other words likelihood of confusion. A sign or a registered trademark may be the same or similar to an earlier trademark. In that case, people might be deceived by this similarity. This risk, which consumer may believe and be deceived by similarity of trademarks, is defined as likelihood of confusion. Likelihood of confusion is also defined in CJEU decisions. [20]

The mark would be more protectable against likelihood of confusion if it had a distinctive character.[21] Distinctive character makes trademarks more special, thus likelihood of confusion can be interpreted in a broader scale. For an example; a logo which consist of a dog reading a gazette with its hat has more distinctive character than a logo which has a dog with no specialty.

---

18 The distinguishing goods and services function and distinctive character of the mark is not the same thing. Distinctive character of the mark is a feature which distinguish that trademark from other trademarks and which make that mark easier to keep in mind. On the other hand, the distinguishing goods and services function is carrying informative purposes like showing that mark is belonging to an enterprise. [**DELIKTAS,** Emre Ali, Tanınmış Markanın Farklı Mal ve Hizmetler Yönünden Korunabileceği Haller, Master Thesis, 2018, p. 17 (https://tez.yok.gov.tr)].

19 **KESER,** p.10.

20 See Chapter 3.3. *"the risk that the public might believe that the goods or services in question come from the same undertaking or, as the case may be, from economically-linked undertakings constitutes a likelihood of confusion within the meaning of Article 5(l)(b) of the Directive"* Lloyd Schuhfabrik Meyer & Co. GmbH v. Klijsen Handel, CJEU, 22 June 1999, Case C-342/97, para. 17, **http://curia.europa.eu** (Access Date and Time: 20.04.2019, 11.10) Sabel BV v PUMA AG Rudolp Rassler Sport, CJEU, 11 November 1997, Case C-251/95 para. 16-18, **http://curia.europa.eu** (Access Date and Time: 20.04.2019, 11.10).

21 SABEL BV-PUMA AG, para. 24.

Also, while determining the likelihood of confusion, the similarity between goods or services for which trademark is used of is taken into consideration by CJEU.[22] For instance, "Aple" trademark for children clothes and "Apple" trademark for computers might not cause a likelihood of confusion. On the other hand, "Aple" trademark for cameras and "Apple" trademark for computers more likely to consider as likelihood of confusion. In addition, some authors criticize the "product based" approach of CJEU and stated that CJEU should go beyond the criterion of product category and be based on mentally linking the goods or services.[23]

1.2.2. Indicating the Source Function

Historically, main function of the trademark was indicating the source function.[24] In ancient times, belongings' place of origin was important.[25] Therefore, trademarks were used also for showing the goods and services place of origin.

However, with the developments in trade and trading ways, sometimes a product may be produced in several countries or by licensing agreement a trademark may be used by several producer.[26] Therefore, consumers frequently do not interest in actual origin of products and for that reason indicating the source function has lost its importance as a trademark function.[27]

---

[22] Lloyd Schuhfabrik Meyer & Co. GmbH vs. Klijsen Handel, para.28; Please See Chapter 3.4.

[23] **RONCAGLIA/SIRONI,** p. 173.

[24] **HANAK,** Elmer William III: The Quality Assurance Function of Trademarks, Trademark Reporter Vol. 65, 1975, p. 318.

[25] **DIAMOND,** p. 275.

[26] **KESER,** p. 15, fn. 68.

[27] **COLAK,** p. 13; **HUYDECOPER/NISBEN/JEHOREM**, p. 11, **KESER,** p. 15, **SANDNER,** Philipp: The European Trademark System, The Valuation of Intangible Assets. 2009, Gabler, p. 13.

Despite this approach, in its decisions, CJEU consistently emphasized that essential function of the trademark is to guarantee the identity of the origin of the marked product.[28] This view upheld in "*Koninklijke Philips Electronics NV vs Remington Consumer Products Ltd"*[29]:

> *"Moreover, according to the case-law of the Court, the essential function of a trade mark is to guarantee the identity of the origin of the marked product to the consumer or end-user by enabling him, without any possibility of confusion, to distinguish the product or service from others which have another origin, and for the trade mark to be able to fulfil its essential role in the system of undistorted competition which the Treaty seeks to establish, it must offer a guarantee that all the goods or services bearing it have originated under the control of a single undertaking which is responsible for their quality."*

Indicating the source function does not mean to show geographical origin of a trademark. It is more convenient to say, that function aims to emphasize the businesses which produce goods or services but not geographical origin of the goods or services.[30]

Distinguishing goods and services function and indicating source function both together serve for two main reasons. On the one side, they aim to protect consumer from

---

[28] Arsenal Football Club plc v Matthew Reed, CJEU, 12 November 2002, C-206/01, para. 48, **https://eur-lex.europa.eu/** (Access Date and Time: 20.04.2019, 11.10), O2 Holdings - O2(UK) Limited v Hutchinson, CJEU, 12 June 2008, C-533/06 para. 57, CJEU has held that the essential function of the trademark is 'to guarantee to consumers the origin of the goods or services, by reason of a likelihood of confusion on the part of the public'. **http://curia.europa.eu** (Access Date and Time: 20.04.2019, 11.10).

[29] Koninklijke Philips Electronics NV v Remington Consumer Products CJEU, 18 June 2002, C-299/99, Ltd, para.30 **http://curia.europa.eu** (Access Date and Time: 20.04.2019, 11.10).

[30] **MUTLUOGLU,** Tarık: Markanın Kullanım Sonucu Ayırt Edici Özellik Kazanması, Master Thesis, 2010, p. 9, **https://tez.yok.gov.tr/UlusalTezMerkezi/** (Access Date and Time: 20.04.2019, 11.26) **KARASU,** p.162; **BONE,** Robert G., Hunting Goodwill: A History Of The Concept Of Goodwill In Trademark Law, Boston University Law Review, 2006, Vol: 86 (3) (GOODWILL), p.25.

confusion. On the other side, they aim to protect sellers from injury and secure their reputation to sell the products.[31]

1.2.3. Advertising Function

Trademarks can be used for advertising as an emblematic device[32]. This function serves to the trademarks economic function. Advertising function of trademark could be described as trademarks impact in market.[33]

Advertising aims to inform, persuade and influence people.[34] Thus, by advertising, firms try to attract consumers and make more economic profit. Market popularity and positive impression of a particular trademark over consumers bring about a higher value for producers and for trademarks.[35]

Advertising function of trademark constitutes an idea about a particular mark over consumers. Behaviors against goods and services are easily manipulating by advertising.[36] Besides traditional advertising techniques like advertising via television or

---

[31] **BONE,** Robert G.: Taking the Confusion Out of Likelihood of Confusion: Toward a More Sensible Approach to Trademark Infringement, 2012, Nortwestern University Law Review, Vol. 106 No.3, p. 1319.

[32] **DIAMOND,** p.290.

[33] **GUNES,** Ilhami: Marka Hukukunda Önceye Dayalı Haklar, Master Thesis, 2012, Izmir, p. 50; **AYKURT KARACA,** Elif: Markanın Tekliği İlkesi Ve İlkenin İstisnası Olarak Muvafakat, Gazi University, Master Thesis, June 2019, www.yoktez.com., p. 10.

[34] **BROWN** Ralph S. Jr.: Advertising and the Public Interest: Legal Protection of Trade Symbols, Yale Law Journal, Vol.108, 1999, p. 1623, fn.16; **COLAK,** p. 14.

[35] **BASMA,** Dina: The Nature, Scope, and Limits of Modern Trademark Protection: A Luxury Fashion Industry Perspective, University of Manchester, Doctoral Thesis, 2016, p. 160; **KARASU,** p.163.

[36] **YASAMAN,** Hamdi: Marka Hukuku, Vedat Kitapçılık, İstanbul 2004, p. 19.

radio, also social media may be used by proprietor as an advertising tool. Even the use of a trademark in a market could serve an advertising function as a natural consequence.

However, only in some groups of goods or services, advertising function is essential for trademarks. On the other hand, there are some goods or services for which advertising function is not so important as the others.[37] In every case, functions of trademarks have different dominance. Therefore, in order to determine whether there is a trademark advertising function cause an infringement or not, every case should be evaluated separately.

1.2.4. Guarantee Function

In addition to other functions of trademark, a trademark also has a guarantee function of goods or services. This function aims to guarantee to the customers that the goods and services which are produced each time have the same quality.[38] For example, if a customer buy a soap and likes its smell, cleaning function or quality; next time when soap is needed, he/she will prefer the same brand soap as a perception of trademarks' production quality. On the contrary, if the soap has left negative effect over consumer, he/she will not prefer that trademark later. In short, consumer experience effects future decisions via trademarks' quality function.

CJEU, in its decisions count guarantee of quality function as one of trademarks function. In Loreal Case[39], CJEU stated *"These functions include not only the essential function of the trade mark, which is to guarantee to consumers the origin of the goods or*

---

[37] **KESER,** p.18.

[38] **COLAK,** p. 15; **KARASU,** p.163.

[39] L'Oréal SA vs Bellure NV, CJEU, 18 June 2009, C-487/07, para.58 **http://curia.europa.eu**(Access Date and Time: 20.04.2019, 11.30).

services, but also its other functions, in particular that of guaranteeing the quality of the goods or services in question and those of communication, investment or advertising."

It must be remembered that quality of goods or services may change over time. For example, Mc Donalds hamburgers may become too spicy in time. In that case, consumer who rely on Mc Donalds trademark quality, is deceived by the quality; due to the fact that Mc Donalds hamburgers have a different taste contrary to its earlier quality. Will the producer undergo some sanctions for not maintaining the quality level? Under trademark law, there is no sanction against manufacturer/producer.[40] It is assumed that the manufacturers will not intentionally aim to reduce the quality of the goods or services because of economic factors. In that sense, trademarks point out the consistency of quality however, they do not directly guarantee the consistency of quality.[41] Thus, there is no sanction against manufacturer.

1.3. Property Concept in Trademark Law

Trademarks characterization as property or as non-property, produce different results over legitimacy of Trademark Coexistence Agreements. Thus, brief information about property concept in trademark law is essential to conceive Trademark Coexistence Agreement better.[42]

As it was explained above in functions of trademark chapter, trademarks aim to prevent consumer from confusion. Thus, trademarks which are similar or same cannot register under trademark law. Nevertheless, there is a debate in doctrine. In that sense, if trademarks are property, the property owner may conclude any agreement even if that

---

[40] **KARASU,** p. 164, **MUTLUOGLU,** p.12, **YASAMAN,** p. 19.

[41] **RONCAGLIA/SIRONI,** p. 170, **MOSS,** p. 207.

[42] This topic's scope is limited with the main subject of this thesis: Trademark Coexistence Agreement.

agreement cause a consumer confusion. On the other hand, if trademarks are not individual property, owners of the trademarks may encounter with validity problems when they want to assign their rights over trademark through a contract.

1.3.1. Trademarks as Property

A property right entitles the owner of the right to use, benefit and right to exclude others from the thing which is possessed.[43] In Roman Law these exclusive rights identified as *usus* (use), *fructus* (enjoy from them) and *abusus* (dispose). In this perspective, it is right to say that the property owner may use its belongings through his/her wishes.

As stated before, trademarks were recognized as property in nineteenth century.[44] Trademark takes its position under property rights as "intellectual property right". Even though trademarks do not have a physical embodiment, under intellectual property protection they can be owned, licensed, sold and so on.[45] This view based on threated intellectual property same as physical property.[46]

---

[43] **SEGAL,** Ilya/**WINSTON,** Michael D.: Property Rights, 2010, p.2, http://web.stanford.edu (Access Date and Time: 25.12.2018, 11.29); **BONE**(Goodwill), p.21; **EMINOGLU,** Cafer, Marka Sahibinin Tekliği İlkesi ve Bu İlkenin Markanın Devri Bağlamında İncelenmesi (Anayasa Mahkemesi'nin 556 Sayılı Khk'nın M. 16/5 Hükmünü İptal Eden Kararı Bağlamında Bir Değerlendirme), Yıldırım Beyazıt Hukuk Dergisi, 2016, Vol. 1, p. 232-231.

[44] See, supra note 3.

[45] **DONOVAN,** Mary A.: Trademark Administration, The Who, What, How and Why,12/2014, New York, http://www.inta.org (Access Date and Time: 25.12.2018, 13.07).

[46] **EASTERBROOK,** Frank H.: Intellectual Property is Still Property, 13 Harvard Journal of Law & Public Policy ,1990, Vol.108, p. 118.

According to this approach, there are several reasons for recognizing trademark as property. **MOSS,** classified these arguments into following three points:

> *"(1) Trademarks have intrinsic value separate from the value of the company,*
> *(2) Genericide may be likened to eminent domain,*
> *(3) Owners may license or assign trademarks in gross if the mark is famous*"[47]

Trademark value is a financial strength of a trademark in the event of its trademark purchasing.[48] This value depends on consumer trust in that particular trademark compared to other trademarks. Trademark owners strive to increase trademark value because trademarks may be subject to sale or leasing separately, like real properties. For instance, in 2019 "Apple"'s trademark value was $ 205.5 B[49].

Also, genericide concept for eminent domain is similar to property law. Genericide occurs when a trademark loses its distinctive character because of referring to a product or service.[50] A generic word cannot register under Trademark Law. A trademark also may be genericide after it successfully spread out and become to define a product or service on its own.[51] On the other hand, eminent domain occurs while a land is a need for the use of public welfare. In that case, government may expropriate the land with payment

---

[47]**MOSS,** Marianna: Trademark Coexistence Agreements: Legitimate Contracts or Tools of Consumer Deception, Loyola Consumer Law Review, Vol. 18, Issue 2, 2005, p.201.

[48] **FIRAT,** Duygu/ **BADEM,** Cemkut; Marka Değerleme Yöntemleri ve Marka Değerinin Mali Tablolara Yansıtılması, Muhasebe ve Finansman, Vol. 38, 2008, p. 211**.**

[49] The World's Most Powerful Brands 2019 Ranking,**https://www.forbes.com/powerful-brands/list/#tab:rank_header:brandValue_sortreverse:true**

[50] **https://www.collinsdictionary.com/submission/11713/Genericide** (Access Date and Time: 10.12.2019, 22.10)

[51] For example, ASPIRIN is genericized under US Law. Please see: INTA, Trademark Basics: A Guide for Business, International Trademark Association, 2012, http://inta.org/Media/Documents/2012_TMBasicsBusiness.pdf (Access Date and Time: 23.06.2019).

of compensation to property owner and property owner loses his/her ownership. According to this view, genericide and eminent domain concepts are almost identical and trademark is a property. However, in that case it must be stated that, there is a difference between these two concepts: compensation. Whereas compensation is a necessity in eminent domain, it is not when a trademark is genericized[52].

In addition to these, owners may license or assign trademarks in gross if the mark is famous. For example, car seller Ferrari wants to produce mobile phones with Ferrari trademark for its 50th year of anniversary celebration. Ferrari may license the use of a trademark to mobile phone producer, like property owner.

Under "trademarks are property" view, proprietors may use trademark as they want so they may enter into a trademark coexistence agreement even for confusingly similar marks.[53] This view is based on that property rights may predominate public interest.

1.3.2. Trademarks as Non-Property

On the other side, there is a view in doctrine which argues that trademark protection is a legal system which serves for public welfare and even though trademark owner benefits from trademark it does not mean that trademarks are protected under

[52] **MOSS,** p. 202.

[53] **MOSS,** p.201.

property rights.[54] According to this view[55], trademarks are non-property even they are classified as "property" in judicial decisions.

MOSS, classified the arguments of those who hold the view that "Trademarks are not property" into seven points:

> *"(1) Trademark return to the public domain if not used*
> *(2) Trademark owners may not license a trademark without the accompanying product*
> *(3) Trademark protection applies only if the mark is attached to the product*
> *(4) If a mark becomes generic, it falls into the public domain*
> *(5) There is no incentive to create more trademarks*
> *(6) Trademarks do not always belong to the first user*
> *(7) Entering into coexistence agreements may diminish the distinctiveness of a mark and allow third parties to use similar mark.*"[56]

The Trademark Law adopts "use it or use it" principle for trademarks: In case of non-use of trademark after registry for certain years, trademarks become abandoned and become public domain.[57] This rule is not compatible with the idea of property owner

---

[54] **MOSS,** p.203; **OGUZ,** Ruhsar Selenay, Marka Hukukunda Birlikte Var Olma Sözleşmesi, Master Thesis, 2016, p. 44.

[55] **ROGERS,** Edward S., Comments on the Modern Law of Unfair Trade, 3 ILL.L.R. 551, 1908-1909, p.555; **VANDEVELDE** Kenneth J., The New Property of the Nineteenth Century: The Development of the Modern Concept of Property, 1980, Vol. 29 Buffalo. Law Review, p.348.

[56] **MOSS,** p. 203.

[57] Use of a Trademark, Trademark Reporter, 2019, Vol. 109, p.513; **MOSS,** p. 203 supra note 21; TRIPS Agreement Article 19: *"If use is required to maintain a registration, the registration may be cancelled only after an uninterrupted period of at least three years of non-use, unless valid reasons based on the existence of obstacles to such use are shown by the trademark owner.",* EUTMR Article 18: *"If, within a period of five years following registration, the proprietor has not put the EU trade mark to genuine use in the Union in connection with the goods or services in respect of which it is registered, or if such use has been suspended during an uninterrupted period of five years, the EU trade mark shall be subject to the sanctions provided for in this Regulation, unless there are proper reasons for non-use."; Turkish Industrial Property Law, Law no 6769 Article 9 "If, within a period of five years following the date of registration, the trademark has not been put to genuine use in Turkey by the trademark proprietor in connection with the*

because for a property owner, utilization of property has no relationship to property owners' right over property. A property owner does not have to use its property, on the other hand trademark owner has to use its trademark.

Another argument is based on a trademark licensing. Trademark licensing is bound with the product defined by that trademark.[58] Independent transferability of the trademark is infringing the indicating the source and guarantee functions of trademark.[59] This limitation for trademark is not compatible with real property owners use of right for transferability.

Furthermore, the trademark must be bound to a product or service.[60] Trademark is not going to be protected if it is not attached to a product or service. Otherwise, it is not serving the function of indicating the source for trademarks, as above.

As expressed above, the generic word for a product or service cannot be register as trademark and a trademark may be genericized after it successfully spread and become to defines a product or service on their own. In that case, a trademark becomes generic and it becomes public domain. This situation is likened to eminent domain for public welfare. However, due to there is no need for pay compensation to trademark owner in genericize concept but the fact that there is a rule to pay compensation for property owner in eminent domain it is argued that trademark is not property.

---

goods or services in respect of which it is registered, or if such use has 5 been suspended during an uninterrupted period of five years, the trademark shall be revoked, unless there are proper reasons for non-use.".

[58] **CALBOLI,** Irene, Trademark Assignment "With Goodwill": A Concept Whose Time Has Gone; Florida Law Review, 2005, Vol. 57, p. 771-773.

[59] **MOSS,** p.204 (supra note 25); **OGUZ**, p.46.

[60] **MOSS,** p. 204.

On the other hand, another argument is trademark law is not aiming to increase number of trademarks which is entering to market. [61] Due to less trademark numbers cause less public confusion; it is more useful for not entering into the market for trademarks on the contrary to patents.[62] Instead, trademark prefer goodwill; while property right prefer dissemination.[63]

Also, trademark registry for the reason of preventing third parties from using it is not protected under trademark law; trademark law is seeking for actual use of the trademark.[64] This approach is different from the property concept.

Last argument of those who view trademarks as not a property view is that entering into coexistence agreements may diminish the distinctiveness of a mark and allow third parties to use similar trademark.

In case of a trademark owner signs a coexistence agreement and if the trademarks which are subject to the agreement are similar; it is incorrectly assumed that trademark owner could not alleged confusing claim against third party. This subject was addressed in one of the National Arbitration Forum decision.[65]

In that decision, MGW Group Inc. began to use its "Cookie Bouquet" trademark in connection to its cookie business in 1983 and registered that trademark in 1996. MGW Group sells cookies over internet under the name of cookiebouquet.com and in shops. MGW Group signed a trademark coexistence agreement with Cookie Bouquets, Inc (CBI) who is selling cookies through internet. Thus, under this agreement they both used their

---

[61] **CARTER** Stephen L.: The Trouble with Trademark, 1990, YALE Law Journal Vol. 99, p.768.

[62] **CARTER,** p.765-768; **MOSS,** p.206.

[63] **MOSS,** p.206.

[64] **MOSS,** p.206.

[65] MGW Group Inc. V Gourmet Cookie Bouquets.com, 16 August 2004, Claim No: FA0405000273996 http://www.adrforum.com (Access Date and Time: 26.12.2018, 23.13).

"Cookie Bouquet and Cookie Bouquets" trademarks legally even it may cause a consumer confusion. In 2004, MGW Group learned that "gourmet-cookie-bouquets.com" is selling cookies over internet. MGW Group send a cease and desist letter to Gourmet Cookie Bouquets.com to stop using "cookie bouquets" trademark as it causes a consumer confusion. However, the problem was not be solved and thus conflict came into arbitration. In arbitration judgement, The National Arbitration Forum stated; entering into coexistence agreement, may erode the distinctiveness of trademark and may cause third parties to use similar trademarks. In that case, CBI was one of the competitors of MGW Group and used a similar trademark with MGW Group without paying any attention to consumer confusion. In the decision, it is stated that since consumer confusion was not on the point for CBI, it could not be for third parties also. Besides, Gourmet Cookie Bouquets.com and CBI Group has a business relationship and within that regards, National Arbitration Forum denied the case.

That decision has become an argument for those who view trademark as not a property. It must be admitted that the forum's decision is not in harmony with the real property law. In real property law, property owner with a positive interpretation of the right may use, expose and benefit from the property and as negative side of the right may exclude others from unauthorized use of the property.[66] It should be accepted that under property law, property owner on the one hand may authorize one person to use it on the other hand exclude others from using it.

This "non-property" approach had been adopted by US Supreme Court in some of its decisions also. In American Steel Foundries v Robertson decision[67] it was emphasized that there was no property as trademark apart from in the field of business or trade. In another

---

[66] **KAYA,** Arslan: Marka Hukuku, 2006, Istanbul, Arıkan Press, p.103.

[67] American Steel Foundries v. Robertson, U.S. Supreme Court, 4 January 1926, 269 U.S. 372,380 https://caselaw.findlaw.com (Access date and time: 26.12.2018 00.50).

decision with the same view, in United Drug Co. v. Theodore Rectanus Co. decision[68] it was stated that a right of trademark only exist as appurtenant to an established business. Under the light of this decisions and arguments, the supporters who hold the view that trademarks are not property, argue to extent the categorization of trademark as a property definition through licensing, abandonment and infringement of trademarks.[69]

Under "Trademark are not property" view, the validity of trademark coexistence agreement depends on whether it violates public order or not.[70] Public order prevails freedom of contract under that view.

As we expressed above, essentially, in doctrine this distinction is made for determining the status of trademark regarding public order and property right. However, despite the views this distinction for trademark coexistence agreements is ineffective. It must be admitted for both views that neither property right nor freedom of contract grants unlimited rights to property owner.[71] According to general principles of contract law, a property right can be limited by government and also even there is a freedom of contract, contracts always limited by compulsory legal rules, public order, public interest, personal rights, morals and impossibility. [72] Thus, due to the fact that trademark coexistence agreement cannot violate public order whether trademark is property or not, in the frame of subject of this thesis, qualification of trademarks as property or not, does not affect the contract.

---

68 United Drug Co. v. Theodore Rectanus Co., U.S. Supreme Court, 9 December 1918, 248 U.S. 90 https://supreme.justia.com (Access date and time: 26.12.2018 01.12).

69 **MOSSOFF**, Adam: Trademark as a Property Right, Kentucky Law Review, Vol. 107, 2018-2019 No. 1, p 47.

70 **MOSS,** p. 206.

71 For example; in Turkey, a farmland owner cannot sell its land below a certain squaremeter. For limitation of Freedom of Contract see Chapter 3.1.

72 **NAYAKKARA,** p. 2; **GUNES,** p.55-105; **OGUZ,** p. 34-38.

CHAPTER TWO

COEXISTENCE OF TRADEMARKS

Under this chapter firstly the principle of specialty in trademark law and voluntary coexistence of trademarks are going to explained and then the relationship between these two concepts are going to clarified. Then, Trademark Coexistence Agreement definition is briefly explained and legal institutions which is under the risk of confusion with Trademark Coexistence Agreement, will be discussed. At last, circumstances for entering into trademark coexistence agreement is going to be stated.

2.1. The Principle of Specialty in Trademark Law

Trademarks do not have a physical presence. As a result of not having physical presence, proprietors of trademark are always under the risk of using the same trademark with third persons.[73]

Admittedly, trademark law is based on prevention of consumer confusion and unfair acts. In case of multiple usage of same trademark; it is assumed that this usage may cause a consumer confusion.[74] Besides in case of using the same trademark with more sellers; distinguishing goods and services function of trademark become useless. Therefore, as a result, the principle of specialty is accepted in trademark law.[75]

---

[73] **GUN,** Betül: Marka Hukukunda Birlikte Var Olma, Master Thesis, 2019, Istanbul p.30 (https://tez.yok.gov.tr)].

[74] **PEUKERT,** Alexander: The Coexistence of Trade Mark Laws and Rights on the Internet and the Impact of Geolocation Technologies, 2016, International Review of Intellectual Property and Competition Law (IIC) 47(1) 2016, p. 64 https://ssrn.com/abstract=2934262; **EMINOGLU**, p.234.

[75] **AYKURT KARACA,** p. 23.

This principle could be described as a uniqueness of a trademark for same or similar goods/services under the roof of same market. As a reflection of this principle; same or indistinguishably same trademark to the registered trademark shall not be registered under same or similar type of goods or products.[76] Even so if a same or indistinguishably same trademark is registered mistakenly, the court shall invalidate this registration upon request of earlier trademark owner. [77]

"First to file principle" or in other words "principle of priority" also serves to principle of specialty.[78] First application for registration, will prevent other same or similar registrations to that trademark thus principle of specialty is protected.[79]

Another reflection of this principle occurs for trademark owner. According to this principle, trademark creates only one proprietor. [80]However, it must be emphasized that this rule is not related with the numbers of trademark owners; but creating only one ownership for person/people.[81] These two principles are integrated although the functions they protect differs. Despite principle of specialty aims to protect distinguishing goods and services function; uniqueness of trademark owner aims to protect indicating the source function and guarantee function of trademarks.

Principle of specialty, in the light of aiming at preventing consumer confusion, also serves to protect public order.[82] However, governments do not always supervise

---

[76] **AYKURT KARACA,** p. 22; **MEMISOGLU,** Sami Özgür: Marka Hukukunda Mutlak Ret Sebepleri, 2019, Ankara, p. 469.

[77] **TEKINALP,** p. 436.

[78] **EMINOGLU,** p. 236 ; **MEMISOGLU,** p.470; **SULUK,** p.8.

[79] **MEMISOGLU,** p. 470.

[80] **YASAMAN,** p. 227.

[81] **GUN,** p. 30.

[82] **EMINOGLU,** p. 234.

principle of specialty ex officio. This rule, changes regarding public policy. For example; England, USA, Canada, China regulated that offices should examine this principle ex officio while European Union, France, Benelux Countries do not regulate that offices should examine this principle ex officio. [83]

2.2. Trademark Owners' Will for Trademark Coexistence

As we expressed, the principle of specialty of trademark applies in trademark law. However, there might be some situations in which there are some exceptions to the application of this rule. These exceptions can be caused by law, jurisprudence or trademark owners' will. With these exceptions it is accepted that, despite principle of specialty, in some situations two trademarks which are the same or similar to each other may coexist and be registered. With the subject limitation under this thesis, only trademark owners' will for coexistence of trademarks are going to explain under this section.

Trademarks may be protected and subject to registry under different systems: national, regional and international registration system. Under national registration, all nations regulate its own trademark registration systems and protection is limited to that country boarders. According to regional systems[84]; one registry provides trademark protection over member states of regional registry system. And at last, international system[85] provides widely protection with one application over the world, 121 countries in 2019.

---

[83] **GUN,** p. 35.

[84] Benelux Registration System, European Trademark System, Organisation Africaine de la Propriété Intellectuelle (OAPI) System.

[85] Madrid System.

Regional and international registry systems ensure that trademarks are easily protected in other countries by registration with only one application. On the other hand, trademarks become more global with these system thus same or similar trademarks are more likely to face in the same market. For example, while a trademark protected under national system in Italy; another trademark which is same or similar to protected trademark, could make a EUTM registration. In this situation, because of that two systems are both exist and there have no hierarchy between, the dispute shall be settled according to principle of priority.[86] What if these trademark owners agree upon using their trademark without infringing the other trademark, despite principle of priority and principle of specialty?

In another situation, companies may expand their goods and services or their distribution net. With this development, companies may face with other companies which run their enterprise under same or similar trademark. In this sense; enlargement may also come with a result of encountering new companies, which are using the same or similar trademark but not aware of that before expanding. Is there any legal solution for using that trademarks at the same time?

Furthermore, a company may sell its subsidiary with authorization to use the trademark.[87] However, a seller may want to use that trademark with the new owner, in a certain period of time. Despite trademark registration system, is it a way to use same trademark? In addition, group companies may want to use same registered trademark.[88] Is it possible under trademark law?

---

[86] **EUIPO,** Guidelines for Examination Of European Union Trademarks, Part C, Section 4, Rights Under 8(4) and 8(6) EUTMR, 2017, p.3.

[87] **DENG,** Ming; **YU,** Nicole: Trademark Coexistence or Trademark Confusion? -A Comparative Study from Perspectives of Europe and China, China Patents & Trademarks No.4, 2017, p. 73.

[88] **GUN,** p.54.

The answer of all these questions is yes. This is called trademark coexistence. Trademark coexistence occurs while two or more different companies, which are using a similar or identical trademark, maintain their businesses without interfering other companies' businesses.[89] In any case, it must be noted, trademarks must maintain to perform its distinguishing goods and services function.

As it is expressed above, trademark coexistence is exception of principle of specialty and trademark proprietors' will could be a reason for trademark coexistence. In this sense, it is accepted that this "coexistence will" could be expressed in two ways: by letter of consent or by agreement.

2.2.1. Letter of Consent

Letter of consent is a kind of letter in which prior trademark owner consenting to registration of a later similar or identical trademark.[90] It is a way to register a trademark which is not possible to register under trademark law due to consumer confusion. By extension, it is a way to coexistence of trademarks by will despite principle of specialty.

Under trademark law, a similar or identical trademark to registered trademark, in case of running its business for identical or similar goods or services to registered trademark; is causing a risk for consumer confusion and it could not be registered. In that case, depending on the legal regulation under national or regional law; the later trademark could be faced with ex officio refusal or an opposition made by earlier registered

[89] **NANAYAKKARA,** Tamara: "IP and Business: Trademark Coexistence" WIPO Magazine, No.6/2006, November 2006 (www.wipo.int).

[90] **BRYER,** Lanning G.: Trademarks in Business Transactions, December 2018, p. 47, www.inta.org .

trademark owner or if the later trademark is registered faultily, it could be faced with an invalidation or cancellation.[91]

These implementations differ from one country to another. For example, Turkey refuses identical or indistinguishably similar signs relating to identical goods and services to registered trademark ex officio and accept this situation as absolute ground for refusal[92]. However, if there is a likelihood of confusion risk on public eye and later trademark is identical or similar to registered trademark and also if later trademark's business area is identical or similar to earlier trademark, in that case it is a relative ground for refusal and it only could be subject to refusal only in case of opposition, generally.[93] On the other hand, in EU Law, these two situations are regulated as relative grounds for refusal.[94] Thus, consumer confusion opposition against applicant's trademark by an

---

91 **WIPO,** Standing Committee on the Law of Trademarks, Industrial Designs and Geographical Indications, Summary of Replies to the Questionnaire on Letters of Consent, 2 February 2010, p.3(WIPO, Letter of Consent).

92 Turkish Law Code:6769, Art. 5/1.(ç): *"Signs which are identical to or indistinguishably similar to a trademark, which has been registered or which has been applied for registration, relating to identical goods and services or to goods and services of the identical type,"* **https://www.turkpatent.gov.tr.**

93 Turkish Law Code:6769, Art. 6/1.: *"An application for trademark registration shall be refused upon opposition if there exists a likelihood of confusion on the part of the public, including the likelihood of association with the earlier trademark, due to identity with, or similarity to, the earlier trademark and the identity or similarity of the goods or services covered"* **https://www.turkpatent.gov.tr.**

94 EUTMR Art.8: *"1.Upon opposition by the proprietor of an earlier trade mark, the trade mark applied for shall not be registered: (a) if it is identical with the earlier trade mark and the goods or services for which registration is applied for are identical with the goods or services for which the earlier trade mark is protected; (b) if, because of its identity with, or similarity to, the earlier trade mark and the identity or similarity of the goods or services covered by the trade marks there exists a likelihood of confusion on the part of the public in the territory in which the earlier trade mark is protected; the likelihood of confusion includes the likelihood of association with the earlier trade mark.".*

earlier trademark owner cause a refusal, however, likelihood of confusion risk does not take into consideration ex officio by trademark office.

In these cases, presenting a letter of consent issued by the owner of earlier trademark may help to overcome from refusal, invalidation or cancellation. Although, some countries such as Colombia, Japan, Philippines and Republic of Korea, do not accept letter of consent as a way of coexistence for the reason of public order. [95] Despite implementation differences; Brazil, China, Norway, Portugal, UK, USA and Turkey are some of the countries that accepts consent letter.[96]

The letter of consent is a unilateral declaration since it only contains earlier trademark owner's consent. Earlier trademark owner's consent is important because owner is the one who knows likelihood of confusion risk better than anyone and who assumes the risk.[97] With issuing a letter of consent, earlier trademark owner waives its objections through the trademark while a later trademark owner may register its trademark.[98] So, it must be admitted that earlier trademark's consent has also a waiver for later objections.

Although in some countries; such as Brazil, Canada, Cuba, China, Mexico, South Africa, UK, USA and Vietnam despite the letter of consent, trademark offices investigate the risk of confusion by themselves and they are not bounded by the consent of earlier

[95] **WIPO,** Letter of Consent p.3; **BRYER,** Lanning G.: International Trademark Protection, www.inta.org.

[96] **WIPO,** Letter of Consent p.3; **BRYER,** Lanning G.: International Trademark Protection, www.inta.org.

[97] **GUN,** p. 80.

[98] **GUN,** p.86.

trademark owner.[99] On the other hand, in some countries; such as Singapore and Turkey, letter of consent is acceptable even there is a likelihood of confusion.[100]

In the light of letter of consent implementations over the world, it is right to say: there is only one aim to reach under issuing a letter of consent -*which is registration of later trademark*-, however the way for reaching that aim depends on countries' implementation. In the countries which investigate likelihood of confusion between trademarks ex officio; while issuing a letter of consent, eliminating the risk of confusion is more important than consent.[101] By that way, letter of consent is getting closer to trademark coexistence agreement. On the other hand, in the countries which trademark offices are bounded by letter of consent even though there is a likelihood of confusion; letter of consent does not have to prove the no-risk of confusion or establishing limitations between trademarks.

Letter of Consent may include facts for proving that there is no likelihood of confusion: peaceful concurrent use time, differences of goods or services, differences of distribution network, differences over target group, in case of confusion owners are going to find a solution regulation or any other relevant factor for proving there is no likelihood

---

[99] **WIPO,** Letter of Consent, p.21-23; **ARANTES,** Roberta/**DANIEL-SHORES** Robert: Brazil: Trademarks 2019, 26.04.2019, **https://iclg.com** (Access date and time: 13.07.2019, 22.10); **TOAN,** Pam Vu Khanh: Vietnam: Trademark 2019, 26.04.2019, **https://iclg.com** (Access date and time: 13.07.2019, 22.10) **LAROSE,** Francois: Coexistence Of Trademarks: The Limited Scope Of Consent Agreements, Mondaq Business Briefing, 26 Mar. 2018, www.mondaq.com.

[100] **WIPO,** Letter of Consent, p.23: In Singapore, overriding policy reasons may cause a rejection of letter of consent; **GUN,** p. 102.

[101] **WIPO,** Letter of Consent, p.24: *"A consent agreement that contains conclusory statements about the likelihood of confusion and consents by which the parties merely agree to allow for the registration of a mark, without establishing any limitations on the use of the mark so as to avoid confusion, is considered a "naked" consent. "Naked" consent agreements are afforded little or no weight during examination."*

of confusion.[102] Thus, in some situations letter of consent may be bound to conditions.[103] However, in some countries such as Turkey, letter of consent has to be given unconditionally.[104]

In case of issuing an agreement before submitting a letter of consent to trademark office, this agreement is only binding for parties, not for the trademark office. For example, parties may limit the geographical area with a contract but not write it down on the letter of consent. If infringement occurs between parties, trademark office has nothing to do with this conflict. This conflict has to be resolved between parties as in contract law.

In EU Law, letter of consent is regulated under Directive 2015/2436 Art. 5/5.[105] On the other hand, in EUTMR, there is only time limitation rule for consent but no other explanations for consent. According to article 60/3; consent has to be given before invalidity opposition. [106]

EU Directives are rules for member states to regulate their domestic law. Directives provide a general framework for modernization of law but give the countries

---

102 **BRYER,** (Business), p. 47.

103 **GUN,** p.97.

104 Regulation on Implementation of Industrial Property Law, Republic of Turkey Official Gazette, 24 April 2017, No: 30047, Art. 10.

105 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 Trade Marks, Official Journal of the European Union, 23.12.2015, L 336/1, Art 5/5: **"***The Member States shall ensure that in appropriate circumstances there is no obligation to refuse registration or to declare a trade mark invalid where the proprietor of the earlier trade mark or other earlier right consents to the registration of the later trade mark".*

106 EUTMR Art. 60/3: *"An EU trade mark may not be declared invalid where the proprietor of a right referred to in paragraph 1 or 2 consents expressly to the registration of the EU trade mark before submission of the application for a declaration of invalidity or the counterclaim".*

freedom of movement.[107] For example; in case of a rule cannot be implemented immediately by member states, they may have additional time for implementing Directives. [108] Although, Regulations become a rule as soon as they are adopted for member states.[109] There is no freedom of movement for member states. Regulation has to be implemented by all member states. As expressed above, the consent, except time limitation is not located in EUTMR but in Directive. From a point of view, the purpose of the consent's regulation in the Directive but not in the EUTMR is intentional. The purpose is not to make consent obligatory for the members of the European Union.[110] On the contrary, another view alleges from the wording differences between the old directive 2008/95/EC Art.4/5 and 2015/2436 Art.5/5, the member states has to implement this rule as an obligation.[111]

Letter of consent as a result of not aiming to designate the conditions for usage, it may be easier to negotiate between parties than a detailed trademark coexistence agreement. If time is of the essence, it may be better to apply for letter of consent.

In accordance with the limitations of our thesis topic, no further explanation will be given under this section.

---

107 European Union, Regulations, Directives and Other Acts, www.europa.eu (Access date and time: 14.12.2019, 22.30); **YAPAR,** Fulya: Türk Avrupa Birliği Hukukunda Marka Olabilecek İşaretler, Ankara, 2018, Master Thesis, p.78.

108 **YAPAR,** p.78.

109 **YAPAR,** p.78.

110 **GUN,** p. 95.

111 **DURAL,** Ali: "Sınai Mülkiyet Kanunu 5/3 Düzenlemesi (Coexistence), Sınai Mülkiyet Kanunu'nun Bir Yıllık Uygulaması, Istanbul Bar Symposium, 27.04.2018, https://www.youtube.com (Access Date and Time: 28.07.2019, 15.30).

2.2.2. Trademark Coexistence Agreements

As it was expressed, two or more companies which use similar or identical trademarks may decide to make a contract to set rules for coexisting.[112] Aforementioned agreement, which consists of coexistence of trademark by trademark owners' will, is called trademark coexistence agreement and that agreement is the second exception for coexistence of trademarks by trademark owners' will.[113]

For explaining trademark coexistence agreement; definition of trademark coexistence agreement, legal institutions which might have a confusion with this agreement and circumstances of entering into this agreement is going to be clarified.

2.2.2.1. Definition of a Trademark Coexistence Agreement

According to INTA's well accepted definition, which exists in INTA Glossary, Trademark Coexistence Agreement is *"an agreement by two or more persons that similar marks can coexist without any likelihood of confusion; it allows the parties to set rules by which the marks can peacefully coexist."* [114]

As understood from the definition above, for draw up a trademark coexistence agreement; *(i)* at least two parties and *(ii)* identical or similar trademarks, *(iii)* consent of

---

[112] **NANAYAKKARA,** p.1.

[113] **GUN,** p. 60.

[114] **BRYER,** (business), p. 46; **GUN,** p. 114; **LAWSEN/KJESERUD,** p. 15; **MOSS,** p. 209; **OGUZ,** p.32; **THOMSEN,** p. 26; **WILES,** Spencer: The TTAB Should Drink a Beer and Relax: Implications for Trademark Consent Agreements in the Craft Brewing Industry after in re Bay State Brewing Company, Inc., Washington and Lee Law Review Online, Vol. 74, Issue 1 (2017-2018), p.125; please see fn.316 of this thesis.

an earlier trademark owner, *(iv)* removing the risk of likelihood of confusion and *(iv)* setting the terms of coexistence are required. [115]

This agreement is based on a contractual bargain between parties to show there is no confusion between the contract subject trademarks in the market.[116] Thus, eliminating the risk of confusion is inseparable part of that agreement.[117]

With this agreement, parties agree upon limitations or determinations over trademark or usage of trademark and by this way both parties may use their trademarks even it is same or similar to another trademark.[118] The limitations are mostly gathered in two subjects: geographical limitation and/or product-based limitation. For the limitation of trademark usage under this agreement; parties' trademark has to be under the risk of confusion.[119]

Generally, it is a peaceful solution for coexistence of trademarks thus in many successful situations while parties conclude a trademark coexistence agreement and parties are not violated the agreement, the agreement remains private.[120]

---

[115] **WILKOF**, p. 260.

[116] **ELSMORE,** Matthew J, Trademark Coexistence Agreements: What is all the (lack off) fuss about?, Script-ed, 2008, Volume 5, Issue 1, p. 9; **THOMSEN,** p. 26.

[117] **GIANNINO,** Michele; A coexistence agreement concerning EU trademarks must include the explicit consent of the holder of earlier rights to the registration of the conflicting mark., Journal of Intellectual Property Law & Practice, Dec2017, Vol. 12 Issue 12, p. 961(Explicit Consent).

[118] **OGUZ,** p. 51.

[119] See Chapter 3.4.

[120] **DENG/YU,** p. 74.

2.2.2.2. Trademark Coexistence Agreement and Other Similar Legal Institutions

For a better understanding of the agreement, similarities and differences between similar legal institutions and the agreement should also be addressed. Therefore, letter of consent and licensing agreement has to be mentioned briefly and comparison between trademark coexistence agreement and with these two concepts explained.

2.2.2.2.1. Letter of Consent and Trademark Coexistence Agreement

As explained in detail above, letter of consent and trademark coexistence agreement are two ways for trademark coexistence by trademark owners' will. Letter of consent differs from the trademark coexistence agreements in some points.

The first and the most important difference occurs from the parties. For issuing a letter of consent, earlier trademark owner's consent is enough. However, for trademark coexistence agreement, there must be at least two parties. Thus, while the letter of consent is a unilateral transaction, the contract is a bilateral transaction.

Secondly, letter of consent does not have a complex structure. Even, in some countries, such as Turkey, there is a particular form for letter of consent.[121] In that sense, it might be easier to negotiate letter of consent than a detailed trademark coexistence agreement. If time is of the essence, it may be better to apply for letter of consent.

However, a detailed trademark coexistence agreement will be a better choice for prevention of future conflict. Especially, a letter of consent mostly only be effective in

[121] **https://www.turkpatent.gov.tr**

that special country regarding principle of territoriality, while trademark coexistence agreement might be universal.[122]

In case of a possible future conflict, in trademark coexistence agreement's parties may have choices such as termination of the consent or designating contractual penalties.[123] However, there are arguments for withdrawal of a letter of consent thus, there might be no solution in case of only submitting letter of consent but not signing an agreement.[124]

In addition to those, despite the letter of consent only and directly aims to registration of later trademark; trademark coexistence agreement may intend to use of trademarks with peaceful coexistence.[125] However, even the trademark coexistence agreement more focus on coexistence circumstances between same or similar trademarks; European Union Trademark System is seeking for an explicit consent of an earlier trademark owner in Trademark Coexistence Agreement for registration of a trademark as EUTM in case of opposition.[126]

---

122 **AYKURT KARACA,** p. 43; **STORKEBAUM,** Rupprecht: The Evolution of the Concept of Pre-Right Declarations into Coexistence Agreements, The Trademark Reporter, vol. 68, no. 1, 1978, p.49.

123 For more information please see Chapter Three and Chapter Four.

124 **KILIC,** Ahmet Hasan: Markaların Birlikte Var Olma Sözleşmesi, Ticaret ve Fikri Mülkiyet Hukuk Dergisi, 2017, 3(2), p. 82.

125 **GUN,** p.61.

126 Agricola italiana alimentare SpA (AIA) v European Union Intellectual Property Office (EUIPO), General Court, Eight Chamber, Case T-389/16; **http://curia.europa.eu**(Access Date and Time: 20.04.2019, 11.30); **GIANNINO,** (Explicit Consent), p. 960-961.

2.2.2.2.2. Trademark Licensing Agreement and Trademark Coexistence Agreement

Trademark licensing agreement is different from trademark coexistence agreement, too. Licensing, as a general concept for all intellectual property rights, is both regulated in TRIPS and EU Law.[127] According to the adaptation of these articles to trademark law, trademark owner may license its trademark. This licensing transaction generally settled by an agreement called trademark licensing agreement.

Trademark Licensing Agreement is an agreement in which a trademark owner authorize someone to use that trademark under certain circumstances designated by an

---

[127] TRIPS Art. 21: "Licensing and Assignment- Members may determine conditions on the licensing and assignment of trademarks, it being understood that the compulsory licensing of trademarks shall not be permitted and that the owner of a registered trademark shall have the right to assign the trademark with or without the transfer of the business to which the trademark belongs."; Directive 2015/2436 Art. 25: "A trade mark may be licensed for some or all of the goods or services for which it is registered and for the whole or part of the Member State concerned. A licence may be exclusive or non-exclusive. 2. The proprietor of a trade mark may invoke the rights conferred by that trade mark against a licensee who contravenes any provision in his licensing contract with regard to: (a) its duration; (b) the form covered by the registration in which the trade mark may be used; (c) the scope of the goods or services for which the licence is granted; (d) the territory in which the trade mark may be affixed; or (e) the quality of the goods manufactured or of the services provided by the licensee. 3. Without prejudice to the provisions of the licensing contract, the licensee may bring proceedings for infringement of a trade mark only if its proprietor consents thereto. However, the holder of an exclusive licence may bring such proceedings if the proprietor of the trade mark, after formal notice, does not himself bring infringement proceedings within an appropriate period. 4. A licensee shall, for the purpose of obtaining compensation for damage suffered by him, be entitled to intervene in infringement proceedings brought by the proprietor of the trade mark. 5. Member States shall have procedures in place to allow for the recordal of licences in their registers."

agreement.[128] With this agreement, trademark owner(licensor) transferred the usage of trademark right to other party and the other party(licensee) undertakes to pay a royalty for this transaction.[129] In that sense, essential components of Trademark Licensing Agreement are transferring the right to use and the royalty.[130] Generally, royalty designated as monetary value, however this is not obligatory. Royalty also might be a waiver from invalidity proceedings or another license.[131]

In case of granting trademark licensing by a contract, the essence of the right remains with the trademark owner but only the right of the use is transferred to licensee.[132] Thus, it should be emphasize that with this agreement the trademark right remains with the licensor, it is not transferred to licensee. [133]

As a trademark also has a guarantee function, trademark owner may designate the quality of its goods or services. In case of signing a trademark licensing agreement, trademark owner(licensor) has a right to designate quality of its products because licensor

---

[128] **WIPO,** Module 12: Trademark Licensing, p. 4, www.wipo.int (Access date and time: 27.07.2019, 17.30); **OZDEMIR,** Saibe Oktay: Sınai Haklara İlişkin Lisans Sözleşmeleri ve Rekabet Hukuku Düzenlemelerinin Lisans Sözleşmelerine Uygulanması, BETA Basım, 2002, p. 30-39, **OZEL,** Caglar: Marka Lisansı Sözleşmesi, Ankara, 2015, Seckin Hukuk, updated 2nd version, p. 47.

[129] **ARKAN,** Sabih: Marka Hukuku, C.II, Ankara, 1998, p. 190; **OZEL,** p. 47, **OGUZ,** p. 61; **TEKINALP,** Unal: Fikri Mülkiyet Hukuku, 5th Edition, Vedat Kitapçılık, Istanbul 2012, p.470; On the contrary view: **AYDINCIK,** Şirin: Fikri Haklara İlişkin Lisans Sözleşmeleri, 2006, Ankara, p. 167, **YASAMAN/ALTAY,** p. 746.

[130] **SAYINER,** Cemil. Marka Lisansı Sözleşmelerinin İncelenmesi, Türk Patent Enstitüsü Markalar Dairesi Başkanlığı Uzmanlık Tezi, Ankara, 2008, p.88; On the contrary view: **OZEL,** p. 159.

[131] **OZEL,** p. 160; **ARKAN,** p. 199.

[132] **THOMSEN,** p.27; **OZEL,** p. 47.

[133] **OZEL,** p. 47; **TEKINALP,** p. 467.

is the one who is affected from the licensee's usage of the trademark. Thus, licensor may always test licensee's products quality.[134]

Trademark licensing agreement may be concluded for a part of goods or services or for all goods or services.[135] In addition, it might be concluded for a limited time or perpetual.[136]

In the light of this brief background, the first difference of these two agreements derived from the subject of an agreement. In trademark licensing agreement, there is only one trademark which its usage is permitted by owner, on the other hand in coexistence agreement there are two trademarks which possessed by different owners. [137]

Another difference emanates from the liabilities. Trademark licensing agreement is based on a permission for using of a trademark. On the other hand, in trademark coexistence agreement; parties undertakes not to oppose to the use of the other trademark.[138] It is right to say, trademark licensing agreement gives permission to usage which is a positive obligation; while trademark coexistence agreement has a negative obligation which is not to oppose a trademark registration.[139]

Trademark Coexistence Agreement when concluded properly, shows us that trademarks are different. However, on trademark licensing agreement, there is only one

---

[134] **OZEL,** p. 175.

[135] **KILIC,** p. 82.

[136] **KILIC,** p.82.

[137] **GUN,** p. 119.

[138] **GUN,** p. 47; **MCCARTHY,** C.III, p. 18:165.

[139] **GUN,** p.119; **KILIC,** p.91.

trademark in use. As McCarthy properly states: *"trademark licensing agreement integrates, trademark coexistence agreement differentiates."*[140]

Furthermore, cost is also another difference for these two agreements. Even though cost is an essential part of licensing agreement, trademark coexistence agreement may settle without price.[141]

At last, in trademark coexistence agreement, there is no quality control authorization of trademark owners because there are two different trademarks and the contracting parties agree that these trademarks are different than each other.[142] Thus, there is no impact for each of the trademark owners which is caused by usage of another trademark. On the other hand, in trademark licensing agreement, licensor has a right to make quality control for licensee.

In doctrine, there is an opinion that confuses trademark coexistence agreement with cross-license agreement.[143] In cross-license agreement parties allow to use other parties' trademark; however, in trademark coexistence agreement, there is a designation for condition to use their own trademarks.[144] Thus, these are two different agreement with different obligations and reasons.

---

[140] **MCCARTHY**, 18:79**; WILKOF,** Neil: "Out of the Shadows: The Unique World of Trademark Consent Agreements", The Law and Practice of Trademark Transactions, Ed. Irene Calboli & Jacques de Werra, Cheltenham (İngiltere), Northhampton (MA‐ABD), Edward Elgar Publishing, 2016, s. 258**.**

[141] Please See fn. 129,130,131; Guidance Coexistence Agreement: Fact Sheet, 2 December 2008, www.gov.uk (Access date and time: 27.07.2019, 21.40): However, both sides has to have some benefits from Trademark Coexistence Agreement. **OGUZ,** p. 64.

[142] **KILIC,** p. 81.

[143] **COLAK**, p. 292.

[144] **WILKOF,** p. 258.

2.2.2.3. Circumstances for Entering a Trademark Coexistence Agreement

Same or similar trademarks which is used for same or similar goods/services cannot exist in the same market according to Trademark Law. The main reason for this rule is to prevent likelihood of confusion in the eye of consumer. Therefore, it assumes coexistence of trademarks may trigger the risk of confusion.

However, there might be some situations in which parties have a will for coexistence. There are three examples for these situations which is generally given in doctrine.[145]:

1) A company may expand its business area or may enter the area for new goods or services. With expanding new markets, a company may encounter with same or similar trademarks. For not infringing that trademark, parties may enter into coexistence agreement.

2) In case of a conflict for trademarks between two parties, parties may enter into a coexistence agreement to resolve the conflict.

3) In case of a company sells its subsidiary or enters into a joint venture but wants to use the trademark for other goods or services.

In case of a company enters in a new market and meet a same or similar trademark in that market, parties may want to protect their trademark for potential infringement risk. Thus, they may want to enter into an agreement to prevent potential infringement and minimize the damage risk for their trademark by some certain conditions or limitations for usage of trademark. This agreement even may be concluded for registration of later trademark.

In another scenario, the conflict between trademarks may have already existed. By entering into coexistence agreement, parties may reduce the risk for likelihood of

[145] **DENG/YU,** p. 73; **GUN,** p.117-118; **NAYAKKARA,** p. 1; **THOMSEN,** p.28-29.

confusion or limit their usage of trademark and by that way they may end the conflict by peaceful way.

It is always possible to enter into a coexistence agreement: after of before the conflict. In case of a trademark is a subject to opposition, cancellation or an action and the parties decided to resolve the conflict with a coexistence agreement, that contract is a result of an administrative process or a case.[146]

Trademark Coexistence agreement come into prominence by group companies or also a joint venture. A group company in case of selling its subsidiary may want to use the trademark for a while. In that case, they may enter into a coexistence agreement.

With this agreement, parties agreed on provisions for their own benefit to eliminate the violation risk and provide coexistence. This authorization gives parties to determine the usage of trademark by their own free will and guarantee coexistence of trademarks. In the meantime, by signing an agreement, parties may prevent the risk of litigation, cancellation or opposition process, which are long and expensive process mostly.[147] In addition, by thinking of a trademark owner will not take any action for reducing the trademark value, it is accepted that signing a trademark coexistence agreement may increase trademark value.[148]

According to INTA; a coexistence agreement is mostly used in the following three situations: (1) if both marks are unregistered, (2) if one mark is registered and the other mark is unregistered or (3) if both marks are unregistered but one of those marks is intended to register the trademark.[149] If both marks are unregistered they might aware of

[146] **WILKOF,** p. 261.

[147] **DENG/YU,** p. 73; Guidance Coexistence Agreement: Fact Sheet, 2 December 2008, www.gov.uk (Access date and time: 27.07.2019, 21.40).; **ELSMORE,** p.12; **MOSS,** p. 197, **OGUZ,** p. 77.

[148] **LAWSEN/KJESERUD,** p. 82.

[149] **BRYER,** (Business), p.46.

each other's trademarks and they may decide to sign an agreement for sustainability of situation. [150] If one party intends to make a registration, trademark coexistence agreement mostly directs to not-to-oppose purpose.[151]

This agreement can be concluded in two ways: for registration of later trademark or designating the usage of trademarks for coexistence. [152] In both circumstances, parties while concluding a contract must be intended to avoid confusion between them.[153] In case of concluding a good contract, parties may come over the potential or actual risks of trademark infringement.

For a company whose development plan has not been ready yet, it is not recommended to enter into a trademark coexistence agreement.[154] The importance of this issue is more understandable while considering that the agreement restricts the use of the trademark, mostly by geographical area or for goods/services. Thus, a company whose development plan has not been realized yet, may fail to create predictions for expansion and cause unwittingly limitations for a company. In that sense, before concluding a coexistence agreement, parties have to think about potential growth of their company.

---

[150] **GUNES,** Ilhami: 6769 sayılı Sınai Mülkiyet Kanunu Işığı ile Uygulamalı Marka Hukuku, Ankara, 2018, Adalet Yayınevi (Trademark Law), p. 67.

[151] **STORKEBAUM,** p.49.

[152] **KILIC,** p. 81.

[153] **DENG/YU**, p. 73; **KILIC,** p. 78-79; **GUN**, p. 116.

[154] Guidance Coexistence Agreement: Fact Sheet, 2 December 2008, p.3, www.gov.uk (Access date and time: 27.07.2019, 21.40).

CHAPTER THREE

BASIS OF TRADEMARK COEXISTENCE AGREEMENTS

Since the main subject of this thesis is Trademark Coexistence Agreement, basis of trademark coexistence agreements must be considered. Under this chapter, after general information about trademarks coexistence agreement are given, a main issue for trademark coexistence agreement will be considered: likelihood of confusion evaluation under trademark coexistence agreement. After that, competition law limitation under trademark coexistence agreement is going to explain. At last, the clauses under that agreement is addressed.

3.1. Freedom of Contract and its Limitations

As it will be understood from previous explanations, trademark coexistence agreements have willfully targeted coexistence of trademark. By that reason; it is limited to the usage of other parties' same or similar trademark and aims to eliminate likelihood of confusion. These agreements have fulfilled the need for coexistence of two trademarks which is same or similar, in practice. Thus, it is emerged for a peaceful solution for coexistence, in time.

As other contracts, Trademark Coexistence Agreement is also established by parties' mutual declaration of intent.[155] In case of the parties' intention do not comply with each other, the contract cannot be established.

The basis of this agreement is the consent of the trademark owner and the entire agreement is based on this consent. TRIPS Art. 16/1 states *"The owner of a registered*

---

[155] **KILICOGLU,** p.70.

trademark shall have the exclusive right to prevent all third parties not having the owner's consent from using in the course of trade identical or similar signs for goods or services which are identical or similar to those in respect of which the trademark is registered where such use would result in a likelihood of confusion. In case of the use of an identical sign for identical goods or services, a likelihood of confusion shall be presumed." and Directive 2015/2436 Art. 5/5 states *"The Member States shall ensure that in appropriate circumstances there is no obligation to refuse registration or to declare a trade mark invalid where the proprietor of the earlier trade mark or other earlier right consents to the registration of the later trade mark.".* In Turkish Law, Law No. 6769 Art 5 (3) stated that *"A trademark application may not be refused according to subparagraph (ç) of the first paragraph if a notarial document indicating the clear consent of the prior trademark proprietor for the registration of the application is submitted to the Office."* These three provisions focus on trademark owner's consent and by that way create a basis for trademark coexistence agreement. However, those provisions do not specify neither the way to give the consent nor the way to conclude a trademark coexistence agreement. Thus, where there is no provision about trademark coexistence agreement, it is shaped within the framework of "freedom of contract".

Within this frame, trademark coexistence agreements diversified in different types such as "consent agreement", "consent to use agreement", "mutual consent to use", "delimitation agreement" or "prior agreement".[156] Even though they are tending to registration of trademark or specify the usage of trademark; the main purpose of these agreements are coexistence of trademark with the will of trademark owner. Due to that reason, all of these agreements might be referred as trademark coexistence agreement.[157] In this sense, trademark coexistence agreement is more like a main heading for these

[156] **GUN,** p.60; **WILES,** p. 125. Supra 113; **WILKOF,** p. 265,266.

[157] **GUN,** p. 60; **KILIC,** p.81**.**

aforementioned agreements. The terms and conditions of the contract gives us information about subtitles.

Freedom of contract could be defined as the authority to decide whether entering into a contract or not; in case of deciding to conclude a contract, determining its provisions or conditions.[158] According to freedom of contract, trademark owner is free to enter into trademark coexistence agreement and settles its rules, freely.[159] However, this freedom is not unlimited; it is limited by compulsory legal rules, public order, public interest, personal rights, morals and impossibility. [160] Otherwise, the contract will be deemed to be invalid.

Trademark protection aims to protect the owner of the trademark. Besides it also protects consumer from confusion. For example, a trademark only creates one ownership and same or similar trademarks to registered trademark could not be registered. This rule is intended to prevent the consumer from being deceived by the same or similar marks. Thus, this rule is also served to public order. In this light, agreements have a strict relationship with public order and trademark coexistence agreements against public order is deemed to be invalid.

---

[158] **LANDO,** Ole/**BEALE,** Hugh: Principles of European Contract Law Part I and II Combined and Revised, Kluwer Law International, 2000, p. 99; **KASAK,** Fahri Erdem: Sözleşme Özgürlüğünün Sınırı Olarak Kanunun Emredici Hükümlerine Aykırılık, Istanbul, 2019, On İki Levha Yayıncılık, p. 31; **EREN,** Fikret: Borçlar Hukuku Genel Hükümler, 2003, 8. Edition, Ankara, BETA Yayınları, p. 19; **KILICOGLU**, Ahmet: Borçlar Hukuku Genel Hukumler,14th Edition, Turhan Kitabevi, Ankara, 2011, p.73 .

[159] **GUN,** p. 116; **GUNES,** (Trademark Law), p. 176.

[160] **AYKURT KARACA**, p.43**; LANDO/BEALE,** p. 99; **NAYAKKARA,** p. 2; **GUNES,** p.55-105; **OGUZ,** p. 34-38; **OZDEMIR,** p.73-76.

Also, trademark coexistence agreement cannot be against public interest. As a view of this rule, trademark coexistence agreement can be cancelled if it is against competition law. [161]

In substance, although the trademark coexistence agreement has been established within the framework of contract freedom, there are some limits to this freedom. In case of parties of trademark coexistence agreement are failed to comply with these restrictions, invalidity sanctions may occur.

3.2. Form of the Contract

As a reflection of the freedom of contract, the parties may conclude contracts which is not specified in the law. These contracts, which are not regulated by the law, are called innominate contracts.[162] Trademark coexistence agreements do not regulated under law as explained above. Thus, trademark coexistence agreement is also an innominate contract. [163]

Due to the fact that trademark coexistence agreement is an innominate contract, the form of the contract is usually unclear. [164] In addition to this, the form of the contract varies from country to country. According to a view, these agreements should be

---

[161] Please See Chapter 3.6.

[162] **EREN,** p. 18; **OKTAY,** Saibe: İsimsiz Sözleşmelerinin Geçerliliği, Yorumu ve Boşluklarının Tamamlanması, IHFM, C, LV, 1996, p.263-264.

[163] **DURAL,** Ali: "Sınai Mülkiyet Kanunu 5/3 Düzenlemesi (Coexistence), Sınai Mülkiyet Kanunu'nun Bir Yıllık Uygulaması, Istanbul Bar Symposium, 27.04.2018, https://www.youtube.com ; **OGUZ,** p.33.

[164] **BALL,** Imke: Law in Action: Trademark Coexistence agreements and OHIM Uneasy Bedfellows, 2012, p. 14.

formalized by a written form.[165] On the other hand, another view argues that written form is not an obligation for validity of the contract.[166] Although it is more accurate to conclude the agreement in writing, there is a decision in France that the e-mail output of the trademark coexistence agreement is sufficient.[167]

In Turkey, according to Turkish Code of Obligations Law No. 6098 Art. 12, the validity of the contracts is not bound to any form unless otherwise provided by law. The form prescribed by law for contracts is a rule for validity. Contracts established without complying with the prescribed form shall not be effective. According to Turkish Industrial Property Code Law No. 6769 Art. 148, legal proceedings are subject to written form. Thus, trademark coexistence agreement must be in written form in Turkey according to this rule.[168]

Mostly, related to freedom of contract, registration of trademark coexistence agreement is not compulsory. However, if an agreement is registered; it will gain a statue and thus third parties could not assert that he/she does not know the agreement. Also, by registration of a contract, parties provide full protection for infringement.[169] Thus, registration of trademark coexistence agreement will provide recognition of an agreement and in national or regional basis registration of such contracts are supported. In Norway

---

165 **BALL,** p. 14.

166 **AYKURT KARACA,** p. 43; **DURAL,** Ali: "Sınai Mülkiyet Kanunu 5/3 Düzenlemesi (Coexistence), Sınai Mülkiyet Kanunu'nun Bir Yıllık Uygulaması", Istanbul Bar Symposium, 27.04.2018, https://www.youtube.com.

167 **DURAL,** Ali: "Sınai Mülkiyet Kanunu 5/3 Düzenlemesi (Coexistence), Sınai Mülkiyet Kanunu'nun Bir Yıllık Uygulaması", Istanbul Bar Symposium, 27.04.2018, https://www.youtube.com.

168 **GUN,** p. 136; **KILIC,** p.90; On the contrary view: **AYKURT KARACA,** p. 43; **DURAL,** Ali: "Sınai Mülkiyet Kanunu 5/3 Düzenlemesi (Coexistence), Sınai Mülkiyet Kanunu'nun Bir Yıllık Uygulaması, Istanbul Bar Symposium, 27.04.2018, https://www.youtube.com.

169 **KITCHIN/ LLEWELYN/ MELLOR/ MEADE/ MOODY STUART/KEELING,** p. 347.

and in France, there is a national registry system for registry of Trademark Coexistence Agreement under their national IP Offices.[170] In Turkey, there is no such system for trademark coexistence agreements. However, registration system might be effective for possible conflicts between parties and to designate the benefits of the trademark coexistence agreement statistically.

3.3. Subject of Trademark Coexistence Agreements

The coexistence of same or similar trademarks is subject to Trademark Coexistence Agreement.[171] Those trademarks may be registered or unregistered. Also, the contract may be concluded for a certain period of time or unlimited period of time. However, this agreement is always including the coexistence of trademarks as a subject.

Trademark coexistence agreements are usually made to resolve a conflict or to take an action against a potential conflict. Mostly, there are some criteria which constitute a basis for trademark coexistence agreement. These criteria are listed as follows[172]:

(1) Parties thinks that their trademarks are visually or phonetically similar to other trademark,

(2) Trademarks are used for almost similar services or goods,

(3) In case of coexistence, parties have a low risk of confusion or parties may face with minimum or low risk of commercial damage.

---

[170] **ELSMORE,** p.11, supra note 3; **ARKAN,** 193; **WIPO,** Standing Committee On The Law of Trademarks, Industrial Designs and Geographical Indications, Twenty-Second Session, Geneva November 23-26,2009, https://www.wipo.int/ (Access date and Time: 10.11.2019, 10.10).

[171] **KILIC,** p. 86.

[172] **STORKEBAUM,** p.48.

In cases described above, the parties prefer to sign a trademark coexistence agreement. This agreement can be concluded in two ways: for registration of later trademark or designating the usage of trademarks.[173] In both circumstances, parties agreed on mutual conditions to remove or reduce the risk of confusion in the public eye by deciding limitations for usage of their trademark and specify the conditions for coexistence.[174]

Generally, parties add a provision for removing a likelihood of confusion risk by geographical or product-based limitations. On the other side, a clear identification of the trademark such as designating the color, size, words etc. may be agreed in agreement instead of geographical or product-based limitation. Main target of these agreements is coexistence of trademarks and to reach that aim, parties try to remove likelihood of confusion between trademarks for overcome the opposition for public order.

3.4. Likelihood of Confusion and Trademark Coexistence Agreement

Likelihood of confusion is one of the key factors that has to be considered between parties for validation of trademark coexistence agreement. After addressing these issues respectively, it is useful to determine the relationship between the likelihood of confusion and trademark coexistence agreement.

3.4.1. Definition of Likelihood of Confusion

Court of Justice of the European Union[“CJEU”], in its decisions defined likelihood of confusion as *“the risk that the public might believe that the goods or services*

[173] **KILIC,** p. 81-88.

[174] **GUN,** p.114.

in question come from the same undertaking or, as the case may be, from economically-linked undertakings constitutes a likelihood of confusion within the meaning of Article 5(l)(b) of the Directive"[175]

Likelihood of confusion is one of the key concepts of trademark law. As it was explained in detail, trademarks have some functions such as distinguishing goods/services function, indicating the source function, advertising function and guarantee function. In case of there is a likelihood of confusion between trademarks, trademarks cannot execute its functions especially distinguishing goods function and guarantee function. Thus, trademark owner may face with possible damage and trademark protection became useless.

In addition, trademark protection is not only for protecting trademark owner but also for protecting consumers. It is essential that the consumer does not get the impression of goods or services came from the same or linked undertakings. Therefore, trademark protection has a strict connection with public order. [176]

---

175 Lloyd Schuhfabrik Meyer & Co. GmbH v. Klijsen Handel, CJEU, 22 June 1999, Case C-342/97, para. 17, **http://curia.europa.eu** (Access Date and Time: 20.04.2019, 11.10) Sabel BV v PUMA AG Rudolp Rassler Sport, CJEU, 11 November 1997, Case C-251/95 para. 16-18, **http://curia.europa.eu** (Access Date and Time: 20.04.2019, 11.10); The Directive mentioned in judicial decision is 89/104/EEC First Council Directive 21 December 1988 to approximate the laws of the Member States relating to trade marks(89/104/EEC). That directive is no longer in force however main purpose under abovementioned 5(1)(b) article still in use*: "The proprietor shall be entitled to prevent all third parties not having his consent from using in the course of trade: (…) any sign where, because of its identity with, or similarity to, the trade mark and the identity or similarity of the goods or services covered by the trade mark and the sign, there exists a likelihood of confusion on the part of the public, which includes the likelihood of association between the sign and the trade mark."*

176 **GUN,** p. 63.

In order to prevent likelihood of confusion, the principle of specialty in trademark law has emerged. With this principle, same or indistinguishably same trademarks to the registered trademark shall not be registered for same or similar type of goods or products.[177] EUTMR Art. 8 (1) (b) and TRIPS Art. 16 (1) states an earlier trademark owner may prevent use of another trademark in case of other trademark is identical or similar to earlier trademark and goods or services they serves are identical or similar for that reason as a consequence likelihood of confusion might exist. [178]

According to EUTMR and TRIPS, likelihood of confusion also comprises likelihood of association. [179] The concept of likelihood of association began with the approach of Benelux Court of Justice ["BCJ"].[180] Likelihood of association is not substitute likelihood of confusion but only help to understand the scope of likelihood of

---

177 For more information see 2.1. The Principle of Specialty in Trademark Law

178 EUTMR Art.8: *"1.Upon opposition by the proprietor of an earlier trade mark, the trade mark applied for shall not be registered: (a) if it is identical with the earlier trade mark and the goods or services for which registration is applied for are identical with the goods or services for which the earlier trade mark is protected; (b) if, because of its identity with, or similarity to, the earlier trade mark and the identity or similarity of the goods or services covered by the trademarks there exists a likelihood of confusion on the part of the public in the territory in which the earlier trade mark is protected; the likelihood of confusion includes the likelihood of association with the earlier trade mark.";* TRIPS Agreement Article 16: *"The owner of a registered trademark shall have the exclusive right to prevent all third parties not having the owner's consent from using in the course of trade identical or similar signs for goods or services which are identical or similar to those in respect of which the trademark is registered where such use would result in a likelihood of confusion. In case of the use of an identical sign for identical goods or services, a likelihood of confusion shall be presumed. The rights described above shall not prejudice any existing prior rights, nor shall they affect the possibility of Members making rights available on the basis of use."*

179 **KUCUKALI,** Canan: Marka Hukukunda Karıştırma Tehlikesi, Ankara: Seçkin Yayınları, 2009, p. 56.

180 **YASAR,** Ali: Marka Hukukunda Karıştırma İhtimali, Istanbul Commercial University, Doctoral Thesis, Istanbul, 2016, p. 51, fn.270.

confusion.[181] In likelihood of association, consumer links similar or identical trademarks and thinks there is an economical connection between their manufacturer or producer. Likelihood of association is a broader concept than likelihood of confusion and provides wider protection to trademark owner. In China, Turkey and England, likelihood of confusion also comprises likelihood of association, as in TRIPS and EUTMR.[182]

---

181 SABEL BV-PUMA AG, para. 18: *"In that connection, it is to be remembered that Article 4(1)(b) of the Directive is designed to apply only if, by reason of the identity or similarity both of the marks and of the goods or services which they designate, 'there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark'. It follows from that wording that the concept of likelihood of association is not an alternative to that of likelihood of confusion, but serves to define its scope. The terms of the provision itself exclude its application where there is no likelihood of confusion on the part of the public."*

182 **DENG/YU,** p. 77; England Trade Marks Act 1994 c. 26 Art. 5: *"A trade mark shall not be registered if because (a)it is identical with an earlier trade mark and is to be registered for goods or services similar to those for which the earlier trade mark is protected, or (b)it is similar to an earlier trade mark and is to be registered for goods or services identical with or similar to those for which the earlier trade mark is protected, there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark."*;Turkish Code No: 6769: The Industrial Property Code Art. 6 Relative grounds for refusal in trademark registration *"(1) An application for trademark registration shall be refused upon opposition if there exists a likelihood of confusion on the part of the public, including the likelihood of association with the earlier trademark, due to identity with, or similarity to, the earlier trademark and the identity or similarity of the goods or services covered."* ; **TEKINALP,** p. 438.

3.4.2. Assessing Likelihood of Confusion

There is no rule or regulation applied in each case when assessing whether there is a likelihood of confusion between trademarks.[183] Thus, each case has to be examined separately. However, there is a frame for considering likelihood of confusion. In this chapter, general implementation for likelihood of assessment will be explained briefly.

According to EUTMR Art. 8 (1) (b) and TRIPS Art. 16, there are two key factors while considering likelihood of confusion between trademarks. First factor is the similarity of the marks and the second factor is the relevance of the goods/services which trademarks used for. These conditions have to be evaluated together for likelihood of confusion.[184] In this sense, the trademarks may be similar or identical and goods/services could be also similar or identical. Higher similarity degree between the marks cause higher risk of likelihood of confusion.[185]

In making likelihood of confusion assessment; visual, aural or conceptual similarity of the trademarks evaluated by overall impression of the mark.[186] Those three aspects do not necessarily exist together for likelihood of confusion, even one of these

---

183 United States Patent and Trademark Office["USPTO"], Trademark Manual of Examining Procedure, October 2018, 1207.01. Likelihood of Confusion **https://tmep.uspto.gov** (Access Date and Time: 28.10.2019, 11.10).

184 **DENG/YU**, p.77.

185 **DENG/YU**, p.77; **YASAR,** p. 103.

186 Sabel BV- PUMA AG, Rudolp Rassler Sport para. 23; Lloyd Schuhfabrik Meyer & Co. GmbH vs. Klijsen Handel, para. 25; **CORNISH,** William/ **LLEWELYN,** David/ **APLIN,** Tanya: Intellectual Property: Patents, Copyright, Trade Marks and Allied Rights, Eight Edition, Sweet Maxmell, 2013, p.667.

similarities is enough for leading a conclusion about likelihood of confusion.[187] For example distinctive element or dominant components of the mark, must be taken into account in the eyes of average consumer.[188] An average consumer described as *"reasonably well informed well observant and circumspect"* under CJEU decisions.[189] It is admitted an average consumer perception vary from product to product. While consumer is buying cheaper or daily products, he/she gives less attention about similarities.[190] Thus, product type is also another factor which is taken into account while assessing likelihood of confusion.

Field of goods/services of trademark is also another factor while assessing likelihood of confusion. NICE classification is generally used for classification of the goods/services. However, there might be likelihood of confusion risk between trademarks even the trademarks are in different groups. For example, in "CIPRIANI" decision, "Hotel Cipriani" trademark in Class 43 for bar/restaurant services and "Cipriani" trademark in Class 32 for drinks evaluated as closely related, thus trademarks consider as likely to confuse.[191] Thus, while considering likelihood of confusion risk; it is not right

---

187 Lloyd Schuhfabrik Meyer & Co. GmbH vs. Klijsen Handel, para. 28: "*It is possible that mere aural similarity could lead to likelihood of confusion.";* **BOZBEL**, Savas: Fikri Mülkiyet Hukuku, On iki Levha Yayıncılık, İstanbul, 2015, p. 411; **YASAR,** p.155 fn. 773; **TEKINALP,** p. 443.

188 **RONCAGLIA,** Pier Luigi/**SIRONI** Giulio Enrico: Trademark Functions and Protected Interests in the Decisions of the European Court of Justice, Trademark Reporter, 2011 Vol. 101, p. 157, Sabel BV- PUMA AG, Rudolp Rassler Sport para. 23; Lloyd Schuhfabrik Meyer & Co. GmbH vs. Klijsen Handel, para. 25.

189 Lloyd Schuhfabrik Meyer & Co. GmbH vs. Klijsen Handel, para. 26; LTJ Diffusion SA v Sadas Vertbaudet SA, CJEU, 20 March 2003, Case C-291/00, para. 52 **http://curia.europa.eu** (Access Date and Time: 20.04.2019, 11.10).

190 **TURKPATENT,** Trademark Examination Guidelines, 2011, p.8 **https://www.turkpatent.gov.tr** (Access Date and Time: 28.10.2019, 18.10).

191 General Court, Gestao de Serviços Lda v EUIPO, Case T-438/16, Judgment of 1 March 2018, Altunis-Trading, EU:T:2018:110; **GIANNINO,** Michele: EU General Court finds likelihood of confusion between to give full weight to the NICE classification in determining similarity of the goods or services, on the other hand it is not right to not consider NICE classification.[192] Linking the goods or services, might be a better solution in addition to classification system.[193]

In American Trademark Law, U.S. Federal Circuit Court of Appeals in one of its decisions designated some factors while considering likelihood of confusion.[194] The factors as known as du Pont factors as follows:

> *"1. The similarity or dissimilarity of the marks in their entireties as to appearance, sound, connotation and commercial impression.*
> *2. The similarity or dissimilarity of and nature of the goods or services as described in an application or registration or in connection with which a prior mark is in use.*
> *3. The similarity or dissimilarity of established, likely-to-continue trade channels.*
> *4. The conditions under which and buyers to whom sales are made, i.e. "impulse" vs. careful, sophisticated purchasing.*
> *5. The fame of the prior mark (sales, advertising, length of use).*
> *6. The number and nature of similar marks in use on similar goods.*
> *7. The nature and extent of any actual confusion.*
> *8. The length of time during and conditions under which there has been concurrent use without evidence of actual confusion.*
> *9. The variety of goods on which a mark is or is not used (house mark, "family" mark, product mark).*
> *10. The market interface between applicant and the owner of a prior mark:*
> *(a) a mere "consent" to register or use.*
> *(b) agreement provisions designed to preclude confusion, i.e. limitations on continued use of the marks by each party.*
> *(c) assignment of mark, application, registration and good will of the related business.*
> *(d) laches and estoppel attributable to owner of prior mark and indicative of lack of confusion.*
> *11. The extent to which applicant has a right to exclude others from use of its mark on its goods.*
> *12. The extent of potential confusion, i.e., whether de minimis or substantial.*

HOTEL CIPRIANI and CIPRIANI for certain goods and services, *Journal of Intellectual Property Law & Practice*, Volume 13, Issue 12, 1 December 2018, p. 925, https://doi.org/10.1093/jiplp/jpy150 (CIPRIANI).

[192] **PASLI,** p. 31-34.

[193] **RONCAGLIA/SIRONI,** p. 173.

[194] U.S. Federal Circuit Court of Appeals**,** In re E. I. du Pont de Nemours & Co., 476 F.2d 1357 (CCPA 1973).

13. Any other established fact probative of the effect of use."

Du Pont factors still in use since 1973 in American Trademark System, especially in jurisdictions. United States Court of Appeals for the Federal Circuit, with one of its recent decision which dated 2019, reversed a decision of Trademark Trial and Appeal Board["TTAB"] for the reason of not considering all the du Pont factors while assessing a likelihood of confusion.[195]

Du Pont factors are in parallel with worldwide criteria used to determine the likelihood of confusion. In EU Trademark law, while determining whether there is a likelihood of confusion or not, the following factors are considered: similarity of goods and services, consumer group and their attention while purchasing that service or product, similarity of signs, distinctiveness of earlier trademark, likelihood of confusion risk in global scale and other factors which are relevant.[196]

As mentioned in distinguishing goods and services function chapter of this thesis, distinctive character of trademark decreases the risk of likelihood of confusion. Another factor that reduces risk of likelihood of confusion is existence of identical or similar trademarks in the same market for a long period of time without having actual conflict.[197] In "GUILD MORTGAGE COMPANY" decision, the court ruled that due to the fact that trademarks existing in the same market for 40 years without actual confusion, there is no likelihood of confusion between trademarks. On the other hand, CJEU in one of its

---

195 United States Court of Appeals for the Federal Circuit, In re: Guild Mortgage Company, Case No. 2017-2620 (Fed. Cir. Jan. 14, 2019): In decision, disputed trademarks, Guild Mortgage Company's and Guild Mortgage Company, had been in the same market for 40 years without actual confusion. United States Court of Appeals for the Federal Circuit stated that because of the long period passing by an actual confusion within the 8th criteria of Du Pont factors, there is no likelihood of confusion.

196 **EUIPO,** Guidelines for Examination of European Union Trademarks, Part C, Section 2, Double Identity and Likelihood of Confusion, p. 10.

197 **MOSS,** p. 211.

decisions found four months of coexistence too short for assessing a likelihood of confusion risk.[198]

Likelihood of confusion is based on the principle of not to mislead consumers about trademark's identifying source function.[199] In other words, Likelihood of confusion is a concept to prevent consumers from being deceived by source of the goods/services. In addition, in likelihood of confusion concept, it is not important that later trademark owner has an intention to confusion or not.[200] Likelihood of confusion is a strict relationship with public order in that sense.

3.4.3. Likelihood of Confusion and Trademark Coexistence Agreement

Trademark Coexistence Agreement is "lawful and useful" if there is a "serious risk of confusion" between conflicting trademarks and if the parties intend to settle a dispute in relation with such risk of confusion by Trademark Coexistence Agreement.[201]

On the other hand as it was previously stated, trademark coexistence agreement defined as an agreement that "*similar marks can coexist without any likelihood of confusion.".*[202] From the definition it is understood that there must be no-risk-of-confusion for validity of trademark coexistence agreement. Thus, likelihood of confusion

---

198 Vincenzo Fusco v OHIM CJEU, 1 March 2015, T-185/03, para.64 **http://curia.europa.eu** (Access Date and Time: 29.10.2019, 23.13).

199 USPTO, Trademark Manual of Examining Procedure, October 2018, 1207.01. Likelihood of Confusion **https://tmep.uspto.gov** (Access Date and Time: 28.10.2019, 11.10)

200 **YASAR,** p. 48, fn: 253.

201 BAT v Commission of the European Communities, CJEU, 30 January 1985, C-35/83, para.33 **http://curia.europa.eu**(Access Date and Time: 20.04.2019, 11.30).

202 See Part 2.2.2.1.: Definition of a Trademark Coexistence Agreement.

is an important factor for validity of agreement. However, there are some discussions about this topic.

The first idea is based on in essence trademark do not protect confusion risk between trademarks. It is crystal clear that trademark law established its roots of the ground of preventing likelihood of confusion. The risk of confusion between trademarks is incompatible with the essence of trademark law. That base is mostly admitted as the building block of the coexistence agreement in EU and China.[203] While there is a confusion risk between trademarks; public interest gets harmed, trademark function become useless and some negative economic impacts occur for both trademark owner and consumers. Thus, according to this idea trademark coexistence agreement is not valid in case of likelihood of confusion risk still continuous. [204]

According to another idea, Trademark Coexistence Agreement is a private transaction between parties and due to the fact that trademark owners are at the best-knowing position of likelihood of confusion regarding their trademarks, the trademark agreement must be valid even it causes to confusion in public eye.[205] In America, court made one of its decision based on the same idea and stated *"since the likelihood of confusion causing serious harm to the public is de minimis, we find that in the case at bar, the policy of honoring contractual obligations predominates."*.[206]

Trademark Law undoubtfully has both a private and public dimension. For example; trademark contracts are the subject of private law, on the other hand registration or opposition processes in trademark law is the subject of public law. Private contracts are limited with the public order and public interest which is also agreed in another

---

[203] **DENG/YU**, p.81; **MOSS,** 209; **GUN**, p. 65; **WILKOF,** p. 268.

[204] **GUN,** p. 62-67; **WILKOF,** p.269.

[205] **WILKOF,** p. 270.

[206] U.S. Court of Appeals for the First Circuit, TT Mfg. Co. v. A.T. Cross Co, 1978- 587 F.2d 533.

American court case.[207] However, to declare trademark coexistence agreement invalid, the degree of likelihood of confusion is considered in the case. [208]

In Turkey, Trademark Coexistence Agreement is a new phenomenon, thus there is no leading case about trademark coexistence agreement and likelihood of confusion relationship, yet. However, regarding the regulation of the Article 5 (3) of Industrial Property Code Law No. 6769, it is assumed that Turkey completely authorizes signing trademark coexistence agreement between parties without making any assessment for likelihood of confusion.[209] However, this implementation may cause serious harm to public. Therefore, Turkey should be at least ensured about trademark coexistence agreement do not harm public seriously, thus likelihood of confusion risk should be examined by the office. Otherwise the agreement shall be deemed invalid. Although, this is not the implementation that TURKPATENT currently apply; considering that the main purpose of the trademark coexistence agreement is to eliminate the risk of confusion, the failure to evaluate this issue will pose a serious problem, in practice.

In addition, according to general principles of law, private agreements should be limited with public interest and public order. In case of there is a huge risk of confusion and it still continues; the agreement should be rendered ineffective.

It must be stated that the parties who signed coexistence agreement should not be predicated its opposition on likelihood of confusion risk between trademark. The reason

---

207 US Second Circuit Court of Appeals, Times Mirror Magazine v Field & Stream Licensing Co., June 26 2002, 294 F3d 383,384, **https://caselaw.findlaw.com/** (Access date and time: 30.10.2019, 00.20).

208 **LAWSEN/KJESERUD,** p.61-62; US Second Circuit Court of Appeals, Times Mirror Magazine v Field & Stream Licensing Co., June 26 2002, 294 F3d 383,384, **https://caselaw.findlaw.com/** (Access date and time: 30.10.2019, 00.20).

209 In Turkish Law, Law No. 6769 Art.5 (3):*"A trademark application may not be refused according to subparagraph (ç) of the first paragraph if a notarial document indicating the clear consent of the prior trademark proprietor for the registration of the application is submitted to the Office."*

of this is trademark coexistence agreement aims to remove the risk of confusion between the parties and parties agreed by signing an agreement that there is no likelihood of confusion between trademarks. Thus, after signing a coexistence agreement parties should not oppose the confusion risk between trademarks if there is no infringement of the contract, otherwise it should be deemed as bad faith. Therefore, an opposition only made by those who are not party to the contract. In case of there is no registry for trademark coexistence agreement, trademark coexistence agreement might be remained private between parties, but it might still confuse the public. To prevent this situation, governments' trademark offices should make an agreement registry system.

3.4.4. Decisions About Coexistence Agreement

While assessing likelihood of confusion, USPTO precisely examine the trademark coexistence agreement while considering if there is a likelihood of confusion or not. [210] On the other hand, EUIPO considers Trademark Coexistence Agreement, however it does not bound by that agreement. [211]

EUIPO has different decisions of giving weight to trademark coexistence agreement while assessing likelihood of confusion. One of its decision given below. OMEGA SA is a company which was established in Switzerland. Omega SA made an application for registration of its trademark in some groups which consist of 9 and 42 classes. However, OMEGA Engineering, which is a company established in England and has a registered trademark in Class 9 and Class 42, made an opposition to this application.

---

210 USPTO, Trademark Manual of Examining Procedure, October 2018, 1207.01. Likelihood of Confusion **https://tmep.uspto.gov** (Access Date and Time: 28.10.2019, 11.10).

211 **EUIPO,** Guidelines for Examination of European Union Trademarks, Part C, Section 2, Double Identity and Likelihood of Confusion, p. 10.

In this opposition, OMEGA Engineering is based on similarity between trademarks and bad faith of applicant. Also, OMEGA Engineering submitted a trademark coexistence agreement which parties concluded before. EUIPO[212] in its decision dismissed the action and stated agreement's provisions are "ambiguous" and EUIPO is not bounded by the private agreements which concluded between parties.[213] The agreement was not implemented by court to resolve the conflict. The decision appealed to Boards of Appeal however, it did not take the contract into account for not being clear.[214] Case, appealed again and this time Court of First Instance examined the issue. However, this time Court considered the agreement unrelated while assessing likelihood of confusion between trademarks. [215]

In the second decision which was in between the parties COMPAIR Limited and Naber + Co. KG, EUIPO like the first decision considered trademark coexistence agreement as a private agreement between parties thus it did not pay attention to the trademark coexistence agreement while considering likelihood of confusion between trademarks.[216] The decision appealed to Boards of Appeal. In its decision, Boards of Appeal took trademark coexistence agreement into account and stated: *"In determining whether there exist a likelihood of confusion in Germany the office must have due regard*

212 OHIM name was changed as EUIPO with the regulations in 2017.

213 Judgment of the Court of First Instance (Fifth Chamber), OMEGA SA v OHIM, T-90/05, 6 November 2007 **http://www.oami.europa.eu/** (Access Date and Time: 29.10.2019, 23.13).

214 Second Board of Appeal of EUIPO, R 330/2002-2, 10 December 2004, para. 24.

215 **LAWSEN/KJESERUD,** p. 50; **ELSMORE,** p. 22.

216 Second Board of Appeal of EUIPO, COMPAIR Limited v. Naber + Co. KG, R 590/1999-2, 30 July 2002, para. 19; **FOLLIARD-MONGUIRAL** Arnaud: Coexistence in Community Trade Mark Disputes: When is it Recognized and What are its implications? , Trade Mark Law and Sharing Names, p. 59 (Implications).

to the Agreement, which was clearly intended by the parties to be legally binding.".[217] In decision, it is also stated that the coexistence agreement signed between the parties has a public dimension thus it should be considered by the EUIPO.[218]

In another decision, EUIPO Board of Appeal gave weight to trademark coexistence agreement while assessing likelihood of confusion in the same way as in abovementioned COMPAIR decision. In decision, Etat Français, who owns VICHY CELESTINE trademark, and Sociedad Anónima, who ownes VICHY CATALAN trademark, signed a trademark coexistence agreement in 1993. That agreement contains a provision for preventing likelihood of confusion between parties, restricts opposition to other party's respective trademark and restricts registration for "VICHY" trademark. Etat Français filed an application for registration of VICHY CELESTINE trademark and Sociedad Anónima opposed that trademark registration for two reasons: likelihood of confusion and breach of a contract in the meaning of registration for "VICHY" trademark. EUIPO Opposition Division, while assessed likelihood of confusion, did not consider trademark coexistence agreement for being a private agreement between parties.[219] On the other hand, EUIPO First Board of Appeal decided that trademark coexistence agreement between parties must be considered while assessing a likelihood of confusion risk and stated that: *"...from the text of the agreement it transpires quite clearly that the consumers' interest not to be confused between the signs was also duly considered since*

217 Second Board of Appeal of EUIPO, COMPAIR Limited v. Naber + Co. KG, R 590/1999-2, 30 July 2002, para. 19; **FOLLIARD-MONGUIRAL** Arnaud: Coexistence in Community Trade Mark Disputes: When is it Recognized and What are its implications? , Trade Mark Law and Sharing Names, p. 59 (Implications).

218 **OGUZ,** p. 91.

219 **OGUZ,** p. 93.

the parties determined the conditions under which both parties could use their respective trademarks ... without any risk of confusion.". [220]

In the light of these decisions, it is understood that Opposition Division of EUIPO does not always tend to evaluate the contract when assessing the likelihood of confusion. Opposition Division's approach based on different reasons.

The first reason put forwarded by the Opposition Division is that there is no legal regulation in EUTMR for interpreting the trademark coexistence agreement in opposition process. [221] EUIPO points EUTMR Article 95 which regulated examination process of EUIPO. [222] EUIPO, interprets relevant article as trademark coexistence agreements are not going to examined by EUIPO. However, EUTMR Article 95 was regulated to examine facts, evidence and arguments submitted by the parties. In this sense, signed agreement between parties must be deemed as evidence of fact. [223]Approach of EUIPO is criticized in doctrine.[224]

---

220 First Board of Appeal of EUIPO, VICHY CELESTINE v. VICHY CATALAN, R 24/2003-1, 12 July 2004, para. 48-49; **FOLLIARD-MONGUIRAL** (implications), p.60.

221 **BALL,** Imke: Law in Action: Trademark Coexistence agreements and OHIM-Uneasy Bedfellows, 2012, p. 14.

222 EUTMR Article 95 – "*Examination of the facts by the Office of its own motion*

1. In proceedings before it the Office shall examine the facts of its own motion; however, in proceedings relating to relative grounds for refusal of registration, the Office shall be restricted in this examination to the facts, evidence and arguments provided by the parties and the relief sought. In invalidity proceedings pursuant to Article 59, the Office shall limit its examination to the grounds and arguments submitted by the parties.

2. *The Office may disregard facts or evidence which are not submitted in due time by the parties concerned";* OMEGA SA v OHIM, T-90/05.

223 **COHEN,** Joe: The enforceability and impact of trademark co-existence agreements, Journal of Intellectual Property Law & Practice, 2010, Vol. 5, No. 10, p. 681.

224 **BALL,** p.14; **ELSMORE,** p.15; **LAWSEN/KJESERUD**, p.50; **DENG/YU,** p. 76.

FOLLIARD-MONGUIRAL who is a lawyer in litigation unit of EUIPO, states that the approach of EUIPO is also supported by the locus standi principle. [225] Locus standi principle could be described as freedom to file a suit. In the sense of trademark coexistence agreement, this principle may cause to prevent right to legal remedies. For example, if A and B signed a trademark coexistence agreement and stated that they are not going to oppose their designated trademark registrations in Holland, EUIPO misconstrues this provision and sees the provision as an obstacle for locus standi for the reason that earlier right holder may oppose new registrations and there is no limit for it. Thus, according to EUIPO, private agreement between parties does not prevent a right which is given by law. [226] This approach is also criticized in doctrine.[227] It is unfair to give trademark owners a right to make a contract under earlier trademark consent concept and then not give that contract a legal base accordingly. Another criticism point is that EUIPO interpret the property right and freedom of contract to be very narrow.[228]

Another opinion of EUIPO is that the evaluation of the contract at the opposition phase will result in a prolonged trial.[229] For this reason, EUIPO despite consider trademark coexistence agreement in opposition process, it recommends the parties to apply to the national courts for interpretation of agreement. [230] However, it must be remembered that even parties take an action in the national courts, opposition process is not going to be shorter. In that case, national court decision will be preliminary issue thus

---

[225] **FOLLIARD-MONGUIRAL** Arnaud: Coexistence in Community Trade Mark Disputes: Conditions and Implications, Journal of Intellectual Property Law & Practice, Vol.1, No.11, p. 708 (Conditions).

[226] **OGUZ,** p. 88.

[227] **ELSMORE,** p. 16; **LAWSEN/KJESERUD,** p. 51.

[228] **ELSMORE,** p. 16; **LAWSEN/KJESERUD**, p. 52.

[229] **OGUZ,** p. 88.

[230] **BALL,** p.24; **FOLLIARD-MONGUIRAL**, p.60; Second Board of Appeal of EUIPO, R 590/1999-2.

opposition process does not get shorter. [231] This issue also stated in Guidelines for Examination in the EUIPO as: *"If an agreement is disputed before national instances or there are pending court proceedings and the Office estimates that the outcome could be relevant for the case at issue, it may decide to suspend the proceedings."*[232] In addition, since the rules and perspectives of the national courts may vary in each country, there will be many different decisions.[233] In that point, unity in law, which is one of the targets of EU, will not be achieved in practice.

National court decisions also become important by the view of EUIPO. National Courts are more eager to interpret Trademark Coexistence Agreement. However, there are still some countries which do not except coexistence transactions such as Poland.[234] On the other hand, also outside of the EU, mostly national courts evaluate trademark coexistence agreement as a mutual interest of parties thus courts take trademark coexistence agreement as an assessment factor including China and Turkey. [235]

The SKY case is one of the leading cases for trademark law in the EU. [236] In that case, parties signed a trademark coexistence agreement in 1988 to resolve the trademark conflict. After that, while another dispute arises between parties, the conflict come to the national court of France. French court considered trademark coexistence agreement's provisions and stated that contract has to be applied for future conflicts not to resolve past

[231] **OGUZ,** p. 88.

[232] **EUIPO,** Guidelines for Examination of European Union Trademarks, Part C, Section 2, Double Identity and Likelihood of Confusion, p.8.

[233] **OGUZ,** p. 88.

[234] **LAWSEN/KJESERUD,** p. 57.

[235] **DENG/YU,** p. 87, Yargıtay 11. Law Circuit, 3 March 2014, E: 2013/11923, K: 2014/3959. www.kazanci.com (Access date and time: 10.11.2019, 13.50).

[236] EUIPO, Case R 1167/2006-1 British Sky Broadcasting Group plc. v VORTEX, 27 November 2007.

conflicts between parties.[237] While the case come to the EUIPO, EUIPO did not totally agree the French court decision however also EUIPO considered that coexistence agreement while assessing likelihood of confusion.

After that time, it seems that EUIPO's approach to trademark coexistence agreement has begun to change in a positive way.[238] EUIPO started to discuss trademark coexistence agreement in case of conflict.[239] Even a discussion means EUIPO is moving towards a more positive way to recognize trademark coexistence agreement.[240] In contrast to EUIPO, the Appeal Court of EUIPO has been considering trademark coexistence agreement while determining if there is a likelihood of confusion risk.

On the other hand, the American courts adopted a different approach while assessing a likelihood of confusion in its decisions. The American courts surely consider trademark coexistence agreements which signed between parties in case of a conflict. They also have different views on the emphasis on the public interest or the contract. For example, in one of its decisions TTAB resolved the conflict only by considering trademark coexistence agreement but not dealt with the public issues such as confusion. [241] Even that is not the general approach of US courts, it is still a good example how private agreements dominate public policies in America.

In another decision, TIMES MIRROR MAGAZINE and FIELD & STREAM LICENSES entered into coexistence agreement for FIELD & STREAM trademark.[242]

---

[237] **LAWSEN/KJESERUD,** p. 57.

[238] **DENG/YU,** p. 76.

[239] EUIPO, Case R 1167/2006-1 British Sky Broadcasting Group plc. v VORTEX, 27 November 2007.

[240] **ELSMORE**, p. 21.

[241] Ron Caudwell Jewelry Inc. v Clothestime Clothes Inc. 63 U.S.P.Q.2d, 2009 www.uspto.gov (Access date and time: 10.11.2019, 14.23)

[242] US Second Circuit Court of Appeals, Times Mirror Magazine v Field & Stream Licensing Co., June 26 2002, 294 F3d 383,384, **https://caselaw.findlaw.com/** (Access date and time: 30.10.2019, 00.20)

TIMES MIRROR MAGAZINE filed a case for breach of a contract and bring forward an argument claiming that trademark coexistence agreement between parties cause confusion and harmed public interest. The Court in that case dominated standing of an agreement to public interest and stated *“in order to obtain rescission of a freely bargained trademark contract, a party must show that the public interest will be significantly injured if the contract is allowed to stand. We have no doubt that there are situations in which consumer confusion will cause such harm.*”. Thus, in US courts, the maintenance of the contract can be held in the public interest from time to time. However, it must be emphasized in some situations, such as if the goods are related to public health (e.g.: pharmaceutical products), the US courts this time put public interest in the first row than trademark coexistence agreement. [243]

There is not any precedent case in Turkey about Trademark Coexistence Agreement which decided by courts after Law No. 6769, yet. However, it is assumed that Turkish Courts will take Trademark Coexistence Agreement into account while they make their decision about the case.

From all of explained above it is clear that trademark coexistence agreement assessments in decisions varies on the basis of countries' policies. While some countries based its decisions on trademark coexistence agreement, while some other countries do not take into consideration while making an assessment about conflict. There are also some countries who adopt an approach between these two approaches. It is clear that it is not possible to mention a unitary implementation about decisions of trademark coexistence agreement.

---

243 **MOSS,** p. 215.

3.5. Economic Effects of Trademark Coexistence Agreement

Trademark coexistence agreement is concluded for different aims; however, it must be admitted that no party signed a contract which is not economically suitable for them. Companies has to care about economic situations and sustainability such as profit in every step they take. In case of companies enter into a trademark coexistence contract, it is assumed that parties have some economic benefits from signing of this contract.[244]

Since the agreement is made for the coexistence of the trademarks, parties do not have to determine a royalty for coexistence or registration. For example, parties may only conclude an agreement only for designating usage of trademarks. Thus, charge is not the essence of the contract, however, mutual benefit of the parties is important under the contract.[245]. In case of designating a monetary value, this value can be determined as a fixed price or as a relative price according to business volume or profit participation.[246]

The risk of confusion between trademarks is incompatible with the essence of trademark law, as previously stated. Main reason behind this position is that while there is a risk of confusion, the trademark is not fulfilling its functions. In economic perspective, likelihood of confusion makes guarantee function useless.

Therefore, the company which wants to benefit from its trademark economically will not allow the possibility of confusion with another trademark. At this point, it is assumed that trademark owner is the one who knows the likelihood of confusion risk better than anyone. Federal State Court of Appeal also in the same view. In one of its decision it pointed out that owner of the trademarks are better in knowing likelihood of

---

244 **LAWSEN/KJESERUD,** p. 81.

245 Guidance Coexistence Agreement: Fact Sheet, 2 December 2008, www.gov.uk (Access date and time: 27.07.2019, 21.40); For opposite view: **KILIC,** p. 89.

246 **KILIC,** p. 91.

confusion risk and stated: *"We have often said, in trademark cases involving agreements reflecting parties' views on the likelihood of confusion in the marketplace, that they are in a much better position to know the real life situation than bureaucrats or judges and therefore such agreements may, depending on the circumstances, carry great weight, as was held in DuPont.*"[247]

What economically happens if two trademarks are signed a trademark coexistence agreement but there is still likelihood of confusion? If coexistence agreement sustain confusion between trademarks, some negative economic impacts will be occurred. As it was expressed before, trademark gives information about the goods/product quality.[248] By this way, consumer prefer goods or service by trusting the trademark's quality and not spending too much money on the products which they are not going to prefer.[249] On the other hand; a trademark owner ,who knows this behavior of consumers, tries to achieve a certain quality for its products/services and make advertising for being more recognizable. This is all because of the producer who aims to increase its margin.[250] This cycle is effective while trademarks are not confusing, thus consumers and manufacturers has trust on functions of trademark.

If a trademark coexistence agreement is not terminated or reduced the risk of confusion, trademarks' guarantee function become useless. Consumers have no trust to trademark thus searching cost is going to rise.[251] On the other hand, trademark owner is not going to try to sustain a certain level of quality for its products because of confusion

---

247 United States Court of Appeals, Federal Circuit, Feb. 12 1987, Bongrain International (American)Corporation, v. Delice De France, Inc., Appeal No. 86-1303., 811 F.2d 1479, 55 USLW 2512, 1 U.S.P.Q.2d 1775 **https://law.resource.org** (Access date and time: 13.07.2019, 00.20).

248 **OGUZ,** p. 74.

249 **OGUZ,** p.74; For more information see 1.2.4. Guarantee Function.

250 **LAWSEN/KJESERUD**, p. 27.

251 **MOSS,** p. 209.

risk. Thus, quality of goods and services is going to decrease all over the world while the consumers and producers' cost are increasing.[252] In that case, there is no reason for entering a trademark coexistence agreement if functions of trademark became useless.[253]

In addition, it must be emphasized that in some situations, trademark coexistence agreement might cause a value decrement for trademark. For example; in case of a well-known trademark signed a trademark coexistence agreement, that agreement might decrease its trademark value. This might also cause an adverse economic effect. Thus, before entering into coexistence agreement, parties has to consider all relevant factors including potential technological developments and should make a risk analysis.[254]

At last, while trademark coexistence agreements are not taken into consideration by courts, there are some economic results, too. As it was expressed before, trademark owners prefer to sign a trademark coexistence agreement for preventing long and expensive litigation process, mostly. In case of courts do not evaluate trademark coexistence agreement -even this approach is softening recently-, parties are faced with judgement expenses in addition to contract expenses.[255] Undoubtedly that imposes a serious burden on the owner of the trademark in economic terms.

3.6. Competition Law and Trademark Coexistence Agreement

Competition Law could be described as a set of legal rules to protect free competition in the market. Under this aim, competition law has regulated sanctions and

---

[252] **MOSS,** p. 209; **OGUZ,** p. 74.

[253] **LAWSEN/KJESERUD,** p.82.

[254] **ELSMORE,** p.88; **GUN,** p. 116.

[255] Please See 3.4.4. Decisions About Coexistence Agreement.

implementation of such sanctions. [256] From this point of view competition law is engaged in economic side of the market and it is also linked to public law.

Protection of free market is important because by this way a free competition between undertakings is provided and barriers for entering the market are eliminated. Also, fair competition between undertakings is provided and quality of the goods and services reaches in an optimum level.

For protecting free market economy; governments mostly criminalize unlawful monopolies, price fixation and participation of the market. [257] In every law system, there is a regulation for protecting national or international free market. In the US, that regulation is Sherman Antitrust Act; in the EU, that regulation is Treaty on the Functioning of the European Union ["TFEU"]; in Turkey that regulation is Law No. 4054 The Act on Protection of Competition, in China that regulation is Law Against Unfair Competition of the People's Republic of China, etc.. Thus, it is clear that, no contract should exceed the limits of competition law. Restrictions in contracts which have negative effect to the free market economy may face with sanction to be void.[258] In short, the limit is exceeded in case of an obstacle created for entities who is trying to enter into a market.[259]

On the other hand, intellectual property rights give its proprietor to an exclusive right which consist of monopoly powers, authorize the subject of the right to prohibit third parties from exercising and exercising such rights.[260] Thus, intellectual property

---

[256] **ATES,** Mustafa: The Relationship between Competition Law and Private Law, Banka ve Ticaret Hukuku Dergisi, vol. 29, no. 3, September 2013, p. 86.

[257] **MOSS,** p. 215.

[258] **TFEU,** Art 101(2): *"Any agreements or decisions prohibited pursuant to this Article shall be automatically void.".*

[259] **MOSS,** p.217; **OGUZ,** p. 67.

[260] **ATES,** p. 103.

owners may exclude others from entering into market or they may force them to exit the market. In another scenario, for example a trademark coexistence agreement or trademark licensing agreement may divide the market. In this point, these agreements may be deemed as an obstacle for entering in the market. In this sense, intellectual property law, is in conflict with competition law. However, the absolute application of the rules of competition law in the field of intellectual property may render these rights wholly or partly meaningless and dysfunctional in practice.[261] In this chapter, the relationship between trademark coexistence agreement and competition law is going to be provided.

Trademark Coexistence Agreement is based on removing the likelihood of confusion risk between trademarks by which parties generally set the conditions for usage of trademark by geographic limitation or product limitation as it was stated.[262] Due to the fact that the nature of that agreement consisting limitation for at least two parties which has financial connection, there might be a significant effect for market competition.[263] Thus, trademark coexistence agreement has strict relationship with competition law.

To make an assessment about if there is a violation of competition law under the contract, provisions must be considered. The determining factor of whether coexistence agreements constitutes a violation of competition law is that if the agreement made for restriction of competition or if the agreement made for partition of the market.[264] CJEU in one of its leading decision points out that trademark coexistence agreements is not an exception for competition law if it aims to partition of the market by properly stated that: *“agreements known as 'delimitation agreements' are lawful and useful if they serve to delimit, in the mutual interest of the parties, the spheres within which their respective*

---

[261] **ATES,** p. 106.

[262] **GUN,** p. 71.

[263] **THOMSEN,** p. 38-39.

[264] **GUN,** p. 71.

trademarks may be used, and are intended to avoid confusion or conflict between them. That is not to say, however, that such agreements are excluded from the application of Article 85 of the Treaty if they also have the aim of dividing up the market or restricting competition in other ways."[265] In the light of this decision it is understood that Trademark Coexistence Agreement infringes competition rules if its main goal is to divide the market or restrict competition, however if it is signed only for removing the likelihood of confusion, the agreement is not infringing competition law.[266]

At this point, it is useful to point out "SIRDAR v PHILDAR" case which is explicitly signify competition law limitations in coexistence agreement. [267] SIRDAR is a UK company that focused its business on knitting yarn and clothing. Les Fils de Louis Mulliez SA is French company who has the same business area with SIRDAR, operating its business in France and owner of the PHILDAR trademark. While Les Fils de Louis Mulliez made a registration for PHILDAR trademark in UK for knitting yarn and clothing, SIRDAR opposed that registration because of the likelihood of confusion risk. To solve the conflict, parties entered into coexistence agreement. According to this

---

265BAT Cigaretten Fabrikken-GmbH v Commission of the European Communities, CJEU, 30 January 1985, C-35/83, para.33 **http://curia.europa.eu**(Access Date and Time: 20.04.2019, 11.30); Article 85 of treaty is now regulated as TFEU Art.101.; **WILKOF**, 270-271.

266 According to **THOMSEN,** there are three exceptions for coexistence agreement to not falling into TFEU Art. 101(1) and (2). First exception is as it was mentioned, if trademark coexistence agreement concluded only for removing likelihood of confusion risk, the agreement might not be unlawful. Second exception is if TFEU Art. 101(3) is applicable. It must be stated that there is no block exemption for trademark coexistence agreement. Third exception is if the Technology Transfer Regulation's scope, consists of trademarks' business area. However, it is a very low possibility. For more information please see: **THOMSEN,** p.36-37.

267 Sirdar v Phildar, CJEU, 5 March 1975, C-75/297, **https://eur-lex.europa.eu/** (Access Date and Time: 20.04.2019, 11.10).

agreement; SIRDAR will not be able to sell its products in France under SIRDAR trademark and Les Fils de Louis Mulliez SA will not be able to sell their products under "PHILDAR" trademark in the UK. Another obligation which is regulated under that contract is that parties do not oppose their trademarks in France and UK. When conflict aroused between parties after Trademark Coexistence Agreement had been signed, SIRDAR file a suit to CJEU. CJEU in its decision stated that in other countries except UK and France, SIRDAR and PHILDAR trademarks coexist peacefully. Thus, CJEU consider that the aim of this agreement was not removing likelihood of confusion risk but restriction of the market for protecting their own market.[268] Also, court stated the trademarks are not under the risk of confusion but even there is a situation like that division of the market by parties is not going to be protected.

In another case known as "PERSIL" Case, Unilever and Henkel signed a trademark coexistence agreement. [269] In that agreement parties undertook not to import products where the other party operates its business.[270] However, commission decided that aforementioned agreement cause violation of competition law. Thereupon, parties concluded another agreement in which they restrict the usage of trademarks. Under that agreement Unilever undertook to use PERSIL trademark in green color while HENKEL undertook to use in red. This time, commission did not find this agreement contrary to competition law. Indeed, in that agreement no party is obliged to remove from a region, thus agreement is not violating competition law.[271]

---

[268] **DALKIRAN,** Mustafa: Rekabet Hukuku Çerçevesinde Marka Hakkının Değerlendirilmesi, Türk Patent Enstitüsü Markalar Dairesi Başkanlığı, Dissertation, Ankara, 2011, p. 30, www.teknolojitransferi.gov.tr (Access Date and Time: 20.04.2019, 11.10).

[269] Persil Trademark [1978] 1 CMLR 395.

[270] **DALKIRAN,** p. 33.

[271] **GUN,** p. 75, see supro note 63.

It must be emphasized, not every trademark coexistence agreement, which is limited geographic boundaries between parties, are contrary to competition law.[272] PENNEY'S case might be a good example in that case.[273] Penney America is the owner of the trademarks PENNEY, PENNEY'S and J.C. PENNEY. ABF Group is on the other hand is trademark owner of PENNEYS. While conflict occurred between parties due to the expansion of undertakings, parties decided to sign a trademark coexistence agreement. Despite that agreement contained geographical limitation provisions, that agreement is not considered as a violation of competition law due to the fact the market was not divided.[274]

Another factor while assessing if there is a risk of infringement of competition law is market share of the parties.[275] For example, in the EU there is a notice known as *"the de minimis notice"* which arranges a threshold for making an assessment about TFEU Art. 101(1).[276] According to this notice, if parties do not have a big market share to affect

---

272 **THOMSEN,** p.41, **GUN,** p.74.

273 The Commission of the European Communities, Penneys, 78/193/EEC, 23 December 1977, **https://eur-lex.europa.eu/** (Access date and time: 12.11.2019, 18:03).

274 The Commission of the European Communities, Penneys, 78/193/EEC, 23 December 1977, **https://eur-lex.europa.eu/** (Access date and time: 12.11.2019, 18:03).**-** According to that agreement:

"(a) The ABF Group shall not use 'Penney's' as a trademark or — except as a business name in Ireland — as a trade name in any country of the world,

(b) The ABF Group agrees to assign its French trademark 'Penney's' to Penney America,

(c) ABF Group undertakes not to contest any existing or future trademark registration or application either held or filed by Penney America for Penneys for five years.", **GUN,** p. 75.

275 **THOMSEN,** p. 36.

276 Notice on agreements of minor importance which do not appreciably restrict competition under Article 101(1) of the Treaty on the Functioning of the European Union (De Minimis Notice), Official Journal of the European Union, 2014/C 291/01, 30.8.2014, www.eur-lex.europa.eu (Access Date and Time: 12.11.2019, 02.25).

the market on itself under certain circumstances designated by the minimis notice; there is no need for another investigation for considering violation of competition law.[277] Indeed, trademark coexistence agreement's effect on the market should be considered as a wholly objective criterion.[278] For example, if a party's trademark damaged by other party's trademark, this is not sufficient for evaluating this behavior as infringement of competition law, because it does not show how this behavior affect market negatively.[279]

In America, courts make competition law assessment with more liberal approach. Courts are decided there is a violation of competition law if there is a potential damage for consumers or if entering the market is impossible for other undertakings.[280] For example in a case between CLOROX CO. and STERLING WINTHROP INC., parties signed a coexistence agreement for their "PINE-SOL" and "LYSOL" trademarks which are used for disinfectant products.[281] According to that agreement, Clorox restricted from the sale of "disinfectant products" under the PINE-SOL mark. Clorox filed a suit against STERLING with the claim of the trademark coexistence agreement is violated competition law because of creating obstacles for entering into market for certain products. The court stated that *"A trademark, unlike other intellectual property rights, does not confer a legal monopoly on any good or idea; it confers rights to a name*

---

277 Guidelines on the applicability of Article 101 of the Treaty on the Functioning of the European Union to horizontal co-operation agreements, Official Journal of the European Union, 2011/C 11/01, 14.1.2011, Introduction 44, www.eur-lex.europa.eu (Access Date and Time: 12.11.2019, 02.25).

278 **GUN,** p. 72.

279 **MOSS,** p. 218, see supra note 119.

280 **MOSS,** p. 217-218, see supra note 109.

281 US Second Circuit Court of Appeals, The Clorox Company, v. Sterling Winthrop, Inc, 26 June 1997, 117 F.3d 50, **https://openjurist.org/** (Access date and time: 12.11.2019, 19.03).

only.".[282] Thus, court rejected that claim and emphasize that barriers under trademark law is not related with monopoly idea but only related with the name.

In Turkish Law, there is no decision regarding trademark coexistence agreement and competition law relationship, yet. However, in case of a trademark coexistence agreement violates competition law, as in general rule of contract law, the agreement should be deemed invalid.

In the light of this information given above; it is clear that a trademark coexistence agreement could not be against competition law. Trademark coexistence agreement which contains geographical limitations may not violate competition law if trademarks are identical or similar thus there is a likelihood of confusion between trademarks and that agreement is directed to remove likelihood of confusion risk.[283] On the other hand; in case of there is no-risk-of-confusion between trademarks and that agreement has a restriction clause, the risk for violation of competition law assessment more likely to occur. [284] To make an assessment about violation of competition law; provisions of the contract, market share of the parties and parties aim for partition of the market or settling a barrier for entering the market is also important.

---

[282] US Second Circuit Court of Appeals, The Clorox Company, v. Sterling Winthrop, Inc, 26 June 1997, 117 F.3d 50, **https://openjurist.org/** (Access date and time: 12.11.2019, 19.03).

[283] **SMITH,** Joel/ **MONTAGNON,** Rachel: Coexistence Agreements With A Not-Too-Similar Competitor: Best Negotiating Practice, Journal of Intellectual Property Law & Practice,May 2012, Vol. 7 Issue: 5 p. 342 **OGUZ,** p.73; **THOMSEN,** p. 47.

[284] **OGUZ,** p.73; **THOMSEN,** p. 47.

CHAPTER FOUR

CLAUSES UNDER TRADEMARK COEXISTENCE AGREEMENT

Drafting of a trademark coexistence agreement is very important process for validity of the agreement, to prevent potential conflicts and resolution of potential disputes. In this chapter, the provisions of the contract will be evaluated and the points to be obligatory considered during phase will be discussed.

4.1. Parties of the Contract

Trademark Coexistence Agreement is signed between at least two trademark owners whose trademarks are subject to the agreement. For validation of that agreement, trademark owner must have capacity to have rights and obligations.[285] Therefore, it is essential to know for parties that other party is going to be legally-binded after signing that agreement. [286] It might be suggested for parties to know that other party has a right to make a registration for its trademark, hence they also have a legal right to enter into coexistence agreement. [287]

The information about parties must be stated clearly. Trademark Coexistence Agreement by its nature stands for a long time and parties may forgot even they had signed an agreement. In that period contact numbers may be deleted or lost. Thus, it is

[285] **KILIC,** p. 89; **OGUZ,** p. 100.

[286] Guidance Coexistence Agreement: Fact Sheet, 2 December 2008, www.gov.uk (Access date and time: 27.07.2019, 21.40): In UK only legal person may enter into a contract however a trading entity is not allowed to enter into a contract.

[287] **GUN,** p. 122.; **OGUZ**, p.100.

suggested that trademark owners must state their national registered company number, addresses, telephone number, mail addresses, etc. [288]

In contract, it should be specified that who should benefit from the trademark protection covered by the contract. For example, in case of a trademark assigned to someone, is that person bounded by the agreement? In doctrine, that is controversial. [289] According to a view, it is binding for assignees, inheritors, subsidiaries, licensees, etc.[290] On the other hand another view is based on the idea that it is not binding for third parties.[291]

Despite there are several views about this issue, for an example in one of its decision the US Court of Appeals emphasized that in spite of the assignee is not aware of the trademark is limited with the contract, he/she was bounded by the contract due to the fact that the trademark is limited during the transaction of assign.[292] Even this case is questionable, it is useful to specify mutually that who may benefit from the trademark protection provided by coexistence agreement.

4.2. Trademarks as a Contract Subject

Parties must designate the trademark or logo which is subject to the contract. In that sense, what is consenting by parties and what is not consenting should be determined

---

[288] **HASHIM,** Yasmine: How to avoid risks in co-existence agreements, Managing Intellectual Property. April 2004, Issue 138, p.43.

[289] **GUN,** p. 119.

[290] **STORKEBAUM,** p. 49; **HASHIM,** p. 43.

[291] **WILKOF,** p. 270.

[292] US Court of Appeals for the Ninth Circuit, California Packing Corporation v. Sun-Maid Raisin Growers of California, 3 February 1936, 81 F.2d 674, **https://law.justia.com/** (Access date and time: 12.11.2019, 19.03).

carefully. For example; Is it possible to use that logo with trademark name, is it possible to add terms to the end of the name, etc. [293]

Parties must be designated how trademarks or logos should be used under that agreement. For designation of trademark or logo; color, font, size and other relevant factors might be used.[294] In that point it is useful to note registry number of trademarks, if it is registered.[295]

Mostly, trademark coexistence agreement is concluded for a long period of time. In that time, parties may decide to change their logos.[296] For that reason, parties have to consider that their logos might change in time while concluding trademark coexistence agreement. Therefore, the relevant provisions should be added to the contract which include if parties are consenting for possible logo change. Otherwise, conflict might occur between parties.

In addition to possible changes of logos, parties also may settle provisions for using a secondary trademark.[297] Secondary trademark is a new trademark which is similar to earlier trademark of trademark owner.[298] Parties may decide if they tolerate a secondary trademark or if they are not consenting a secondary trademark due to the likelihood of confusion risk. [299]

---

[293] Guidance Coexistence Agreement: Fact Sheet, 2 December 2008, www.gov.uk (Access date and time: 27.07.2019, 21.40).

[294] **GUN,** p. 120, **SMITH/MONTAGNON,** p. 343; Guidance Coexistence Agreement: Fact Sheet, 2 December 2008, www.gov.uk (Access date and time: 27.07.2019, 21.40).

[295] **GUN,** p. 120.

[296] **OGUZ,** p. 101.

[297] **STORKEBAUM,** p. 52.

[298] **STORKEBAUM,** p. 52.

[299] **HASHIM,** p. 44.

4.3. Goods and Services Field of Trademarks

As clearly stated before, trademark coexistence agreement is based on the idea of removing likelihood of confusion risk between trademarks. Trademarks' sphere of activities has a huge impact while likelihood of confusion risk is considered.[300] Also, group of goods or services might be limited with trademark coexistence agreement. Thus, especially if parties agreed in a product-based limitation for trademark coexistence, it is essential to specify groups of goods or services in trademark coexistence agreement.

Goods and services which trademarks are used for must be stated in detail.[301] In that sense, NICE classification system might be used however signifying goods and services itself is a better solution.[302] For parties it is not suggested to use general wording which may cause uncertainty.[303]

While designating this provision, in addition to goods and services they operate in the current situation, they should also include potential areas of goods or services which they may operate in the future.[304] Otherwise, it is quite possible that there will be conflict between the parties, especially with rapid changes in technological area. [305] At this point, for parties it is recommended that to act in a foresighted manner and, where possible, prepare their development plans before entering into coexistence agreement.

---

[300] See Part 3.4.Likelihood of Confusion and Trademark Coexistence Agreement.

[301] **GUN,** p. 124.

[302] **GUN,** p. 124; **PASLI,** Ali: Marka Hukukunda Ürün Benzerliği, İstanbul, Vedat Kitapçılık, 2018, p.31,32.

[303] **SMITH/MONTAGNON,** p. 343-344.

[304] **GUN,** p. 124; **OGUZ,** p.106; **SMITH/MONTAGNON,** p. 343.

[305] **GUN,** p. 124; **OGUZ,** p.106; **SMITH/MONTAGNON,** p. 343.

"APPLE" decision was a good example for understanding the importance of regulating the potential goods or services areas.[306] Apple Computer is an American company operating in computer and technological products field. Apple Corps which was established by Beatles members, is an English music and multimedia company. Parties entered into trademark coexistence agreement in 1981. According to that agreement, parties limited their services with their field of activity once the contract was signed. Thus, Apple Computer should only use its trademark for computer and technological products and undertakes an obligation *"not to use its name and logo in connection with computer products "specifically adapted for use in the recording or reproduction of music or of performing artist works," or in connection with any "apparatus specifically designed and intended for synthesizing music."*[307]. Apple Corps undertakes not to oppose to Apple Computer trademark registrations for computer and its products.[308] In 2003, Apple Computer launched a music application called "ITunes". Apple Corps filed a suit against Apple Computer for infringement of the contract. In that case, Court considered "ITunes" as a computer program and find no infringement due to the fact that in the contract only physical sale is mentioned for music services however there is no provisions for digital sale. Thus, parties should consider future developments of their respective business field especially technological developments in that specific area.

---

306 Industrial Indem v. Apple Case: Industrial Indemnity Company v. Apple Computer Inc. Court of Appeal of the State of California, First Appellate District, Division Three, filed 16.04.1999, Ref. Number. A074119. **https://law.justia.com/** (Access date and time: 14.11.2019, 12.31).

307 Industrial Indem v. Apple Case: Industrial Indemnity Company v. Apple Computer Inc. Court of Appeal of the State of California, First Appellate District, Division Three, filed 16.04.1999, Ref. Number. A074119. **https://law.justia.com/** (Access date and time: 14.11.2019, 12.31).

308 Industrial Indem v. Apple Case: Industrial Indemnity Company v. Apple Computer Inc. Court of Appeal of the State of California, First Appellate District, Division Three, filed 16.04.1999, Ref. Number. A074119. **https://law.justia.com/** (Access date and time: 14.11.2019, 12.31).

4.4. Duration of the Contract

Trademark Coexistence Agreement might be concluded for a certain period of time or it might be concluded as an indefinite contract.[309] However, in doctrine, there is a view which alleged that due to the fact that trademarks are protected for only a period of time, trademark coexistence agreement could not be concluded as indefinite contracts.[310] It is not possible to agree with this view, due to the fact that it is always possible to extend the protection periods of trademarks.[311]

In case of there is no provision in the contract about duration time, the will of the parties shall be interpreted in accordance with the existing legal rules in governance country.[312] However, the result may not always comply with the will of the parties. For example, in English and Swedish law, if there is no provision about the duration time of the contract, it is assumed that the contract is perpetual.[313] Thus, it is suggested to express a provision in the agreement about the duration.

Effective date is another important point which must be stated in the contract. Any action which might cause a breach of contract is not going to considered as breach of a contract before that date. [314] For the same reason, if contract is concluded for definite time, end date of the contract should also be specified in the contract.

At last, if the contract is concluded for a definite time, parties may consider the situation what happens after the contract ends. There are three choices for parties after

[309] **SMITH/MONTAGNON,** p.345.

[310] **KILIC,** p.92.

[311] **ARKAN,** p. 197,202; **GUN,** p.126; **OZEL**, p.201.

[312] **HASHIM,** p. 44.

[313] **HASHIM,** p. 44, **THOMSEN,** p.31.

[314] Guidance Coexistence Agreement: Fact Sheet, 2 December 2008, www.gov.uk (Access date and time: 27.07.2019, 21.40), **OGUZ,** p. 109.

ending of the contract: (i) renovation of contract, (ii) sustain coexistence with other parties' trademark, (iii) take an action against the other party. [315] Due to the fact that there might be uncertainties about the parties' situation after the contract terminates, thus parties should consider that situation and shall decide a mutual solution.

4.5. Usage of Trademarks

Trademark owners may designate the usage of trademarks in trademark coexistence agreement. By that way, they might remove the risk of confusion and let trademarks coexist peacefully without confusion. While regulating the provision about trademark usage; parties may designate trademarks' shape, size, color, background, typography, etc.[316]

Designating the usage of trademark also prevent the violation of competition law risk. [317] For example, in "PERSIL" case, parties signed an agreement which involves territorial limitation, however the commission ruled that this agreement was contrary to competition law, thus it is void. [318] After that decision parties signed another agreement which based on designating the usage of trademarks. According to that agreement Unilever undertook to use PERSIL trademark in green color, while HENKEL undertook to use that trademark in red. By that way, parties got through from competition law restriction also. Thus, it must be admitted territorial limitation or product-based limitation

---

[315] **GUN,** p.126.

[316] See footnote 273.

[317] **GUN,** p. 127.

[318] Persil Trademark [1978] 1 CMLR 395: Please See Competition Law and Trademark Coexistence Agreement Part for more information about the case

is not only choice for avoiding likelihood of confusion risk, even designating usage of trademark may be a better solution.

4.6. Regional-Based Clauses

According INTA, parties usually limited their trademark use by geographic boundaries in trademark coexistence agreement.[319] As clearly stated by INTA, it is commonly used method for removing the likelihood of confusion and coexistence of trademarks. Also, in the EU, it is accepted that coexistence agreements may be limited to the region by accepting that the countries have separate registration systems.[320] In addition, parties might limit their trademark scope by country or region inside in a country. [321]

It is not an obligation to use that trademark in that area while signing a coexistence agreement. Parties who planned to expand their business to new geographical areas with that trademark should also regulate that area in the provision's' scope.[322] However, in any case, an agreement should not be against competition law and it should provide the legal regulations under national law.[323]

While drafting a coexistence agreement for the EU territory, parties should specify if the agreement is only covering current member states or if it will also be applied to the

---

319 INTA Glossary, "co-existence agreement: *Agreement by two or more persons that similar marks can co-exist without any likelihood of confusion; allows the parties to set rules by which the marks can peacefully co-exist. To use the same mark in connection with the same or similar goods or services, usually limited by geographic boundaries.*" www.inta.org (Access date and time: 15.11.2019, 11.11).

320 **GUN,** p. 128.

321 **GUN,** p. 129.

322 **GUN,** p. 129.

323 Please see 3.6. Competition Law and Trademark Coexistence Agreement for more information.

future members.[324] Also, in the EU, an explicit consent for registration must be stated in trademark coexistence agreement.[325]

"RIELIS" case might be given as an example for territorial limitation in trademark coexistence agreements.[326] Lavaria S.L. is a Spanish Chemical Company which produces laundry detergent under "RIELIS" trademark. Lavaria S.L. is in the same business field more than 40 years in Spain and has no intention to expand abroad. Birks Fabrikker A/S is a Danish company who is produces soap under "RILIS" trademark and plans to expand its business. Birks Fabrikker proposed to make a coexistence agreement with Lavaria S.L. in order to eliminate the potential conflicts and Lavaria S.L. accepted this offer. In that agreement parties agreed on some territorial limitations: Lavaria S.L. shall use its "RIELIS" trademark only in Spain and Lavaria S.L. shall not registered that trademark anywhere else; on the other hand, Birks Fabrikken A/S shall register its trademark and sustain its expanding, except Spain. By this agreement, Lavaria S.L. As a result of this contract, Lavaria S.L. has not waste time and money with long litigation process and Birks Fabrikken A/S has protected its company against potential conflicts before expanding. Thus, in this case, trademark coexistence agreement was a win-win situation.

4.7. Limitation in Terms of Trade Channels

As it was stated clearly in Du Pont factors, Trade Channels is another factor while assessing a likelihood of confusion. Main purpose of the trademark coexistence

---

[324] **HASHIM,** p. 45.

[325] Agricola italiana alimentare SpA (AIA) v European Union Intellectual Property Office (EUIPO), General Court, Eight Chamber, Case T-389/16; **http://curia.europa.eu**(Access Date and Time: 20.04.2019, 11.30); **GIANNINO,** (Explicit Consent), p. 960-961.

[326] **LAWSEN/KJESERUD,** p.6.

agreement is to eliminate the risk of confusion; thus, it should be accepted that limitation of marketing channels is also possible under the contract. Products/services reach consumers by trade channels. Trade channels might be via catalog, tv, internet or directly through the market.[327] Trademark owners might limit other parties' trade channels.

Parties has to consider the domain names while drafting a contract. For example, in an agreement where both parties may sell its goods/products via internet, the domain name becomes important. In order to reach customers through their own trademarks, companies may want to sell their products through the domain name which consists of their own trademark name. In this case, the parties have to reach a common point. This determination is also important in order not to confuse consumers and to ensure the long-term validity of the contract that has been signed.[328]

4.8. Obligations of the Parties

Trademark Coexistence Agreement generally, a unilateral agreement regarding obligation of the parties.[329] However, even it is not common, in trademark coexistence bilateral obligation of a party might be concluded in that agreement.

In coexistence agreements, the parties agree to coexist in the market. Under that aim, parties undertake not to oppose or not to file a suit for invalidity against other trademark. The main obligation might be changed regarding the aims of trademark owner. For example, in a contract which concluded for registration of later trademark, main obligation is going to be authorization for registration of later trademark. On the other

---

[327] **GUN,** p.131.

[328] **LAWSEN,** p. 20.

[329] **DURAL**, Ali: "Sınai Mülkiyet Kanunu 5/3 Düzenlemesi (Coexistence), Sınai Mülkiyet Kanunu'nun Bir Yıllık Uygulaması", Istanbul Bar Symposium, **27.04.2018, https://www.youtube.com**

hand, if parties agree on only to prevent future conflicts, the obligation should be not to oppose to other trademark.

Other party might undertake an obligation to pay royalty for the special consent of earlier trademark owner. That royalty should be designated by parties in trademark coexistence agreement. This value can be determined as a fixed price or as a relative price according to business volume or profit participation.[330] On the other hand, that royalty might be something else, except monetary value.

There is no requirement for parties to designate monetary royalty value for trademark coexistence agreement. As it is properly stated, trademark coexistence agreement might only aim to designating the usage of trademarks. In that sense, parties' obligation is going to be use that trademark suitably under the conditions which is framed in contract.

In addition to these obligations, parties may agree on further obligations; unless it is contrary to law, morality, public order: for example, duty of inform, avoid adverse behaviors, confidentiality, etc. [331]

Under duty to inform provision, parties may agree to inform other party in case of an alteration of a trademark, expanding new field of business or new license agreement. These are not numerus clauses; examples can be multiplied.[332] For example, in case of a third party applies for a registry of trademark which is likely to confuse, a party might inform other party.

---

[330] **KILIC,** p. 91.

[331] **GUN,** p. 132.

[332] Guidance Coexistence Agreement: Fact Sheet, 2 December 2008, www.gov.uk (Access date and time: 27.07.2019, 21.40).

Under trademark coexistence agreement, avoiding adverse behavior should be understood as avoiding creation of likelihood of confusion risk. [333] Although there is no provision in this regard, the parties should pay attention to this obligation, however designating that provision as a further obligation is important for the precise determination of the obligations.

Confidentiality should be designated as a provision in trademark coexistence agreement due to the fact that in negotiations parties may have knowledge about classified information of other party. Confidentiality is an obligation that can be maintained for the duration of the contract and even after the contract expires.[334] Confidentiality provision should contain exemptions for certain situations such as merger and acquisition or due diligence.[335]

It may be very useful to add a provision about what happens if trademark coexistence agreement becomes invalid. Parties should agree on further steps in case of invalidity of the contract.[336] For example, with that provision, parties may agree on later trademark owner shall discontinue to the use of the trademark in case of invalidation of the contract. Otherwise, it might be also regulated that a party should pay a penalty in case of continuing the use of a trademark. The parties may also avoid the extra cost if they contain that provision in coexistence agreement, in case of invalidation of the contract.

[333] **GUN,** p. 132.

[334] **KILIC,** p.93.

[335] **HASHIM,** p. 45; **SMITH/MONTAGNON,** p.345.

[336] **SMITH/MONTAGNON,** p.343.

4.9. Re-Review of the Contract

Trademark Coexistence Agreements are usually concluded for a long period of time and therefore it is obligatory for the parties to foresee the future under this contract. This obligation also implies a challenge: the risk of a breach of contract if the future is not foreseen properly. In order to overcome this challenge, parties may agree to review the provisions of the contract in certain date after the contract signed. This provision provides flexibility to the parties, thus in case of unexpected developments occur, parties may agree to make amendments to or annul the contract.[337]

In this point it must be emphasized a reviewing date might be more than once, in that case not all the reviewing dates have to be entered into trademark coexistence agreement.[338] Parties may decide other reviewing dates, after first date.

According to a view, re-review of the contract provisions may also be provided by dispute resolution mechanism.[339] For example, parties may establish a provision such as parties has to apply for expert or mediator before the litigation or arbitration process. However, it is not possible to agree with this opinion, since the re-review clause allows the parties to review the contract before any dispute occurs between parties; while the dispute resolution mechanism will enable the parties to evaluate the dispute.

Re-Review clause used in the “RIELIS” and “RILIS” trademarks’ coexistence agreement.[340] On the other hand, in the coexistence agreement of “APPLE” case, there is no re-review provision and when the technological developments occur which the parties

---

[337] **GUN,** p. 133; Guidance Coexistence Agreement: Fact Sheet, 2 December 2008, www.gov.uk (Access date and time: 27.07.2019, 21.40); **SMITH/MONTAGNON,** p. 343.

[338] Guidance Coexistence Agreement: Fact Sheet, 2 December 2008, www.gov.uk (Access date and time: 27.07.2019, 21.40), **GUN,** p. 133.

[339] **SMITH/MONTAGNON,** p. 343.

[340] Please See 4.6. Regional-Based Clause.

could not foresee before, a dispute arose between the parties.[341] Thus, this provision has a structure that prevents conflicts in the contract and makes the contract last longer. [342]

4.10. Dispute Resolution Provisions

In trademark coexistence agreements, the parties do not always operate their businesses under the same legal system. For example, one party may operate their business in Turkey and the other party may operate its business in England. If these parties decided to enter into coexistence agreement, the applicable law may be a problem. In fact, the validity of the contract, the interpretation of the contract and the litigation process will be applied according to the applicable law.[343] At this point, even it is not an obligation, parties should designate the applicable law to the contract for their mutual interest. With this provision, parties can shorten the proceedings and can eliminate uncertainties.

Another provision which may be determined by the parties is whether the dispute shall be settled by the court, by the mediator or by arbitration.[344] The parties may prefer the arbitral proceedings or apply to the mediator rather than the courts due to the confidentiality, length or cost of the litigation. In addition, especially the parties, who runs their business inside the European Union, should consider that there is no consistency in the OHIM and judicial decisions regarding the Trademark Coexistence Agreement.[345] In case of the parties determine arbitration or mediation as a dispute resolution, the risk of non-evaluation of the contract will be eliminating.

---

341 Please See 4.3. Goods and Services Fields of Trademarks.

342 **LAWSEN,** p. 18.

343 **GUN,** p. 124.

344 Guidance Coexistence Agreement: Fact Sheet, 2 December 2008, www.gov.uk (Access date and time: 27.07.2019, 21.40).

345 Please See 3.4.4. Decisions About Coexistence Agreement.

Parties may also decide on jurisdiction clause. Jurisdiction clause must meet the requirements of applicable law of the contract.[346] For example, under Turkish Law, only merchandisers and public legal entities are allowed to designate jurisdiction clause. [347] Thus, if a party is not a merchandiser or a public legal entity, a party does not allow to designate jurisdiction clause. Designation of this provision is not a requirement however in case of parties include this provision to the contract, it will be easier to resolve the potential conflict.

4.11. Termination of Trademark Coexistence Agreement

Trademark Coexistence Agreement may be terminated by itself or it may be terminated by avoidance of contract.[348] Generally, termination of the contract is not regulated by parties under trademark coexistence agreement due to the fact that the agreement qualified as peace agreement between parties.[349] Under this chapter, the conditions of termination of the contract will be evaluated.

In case of trademark coexistence agreement is concluded for a specific period of time; unless otherwise specified, by the end of that time the contract will be automatically terminated.[350] However, the parties may decide to extend the agreement with their mutual consent or they may settle the issue while drafting the provision for extension of the

---

[346] **GUN,** p. 135.

[347] Law No. 6100- Turkish Civil Procedure Code-Agreement on Jurisdiction, ARTICLE 17- *“Merchants or public legal entities may agree on which court or courts have jurisdiction an existing or future dispute arising in between. Unless the parties provide otherwise, action shall be brought only in these courts determined by agreement.”*

[348] **GUN,** p. 139.

[349] **GUN,** p. 143.

[350] **KILIC,** p. 92.

contract saying that the contract will be extended for a certain period of time in case of there is no objection by the parties after the current duration of contract expires.

The status of the contract in case of the trademark is invalidated or if the right to protection expires, is controversial in the doctrine. According to one view, a contract is terminated in case of the trademark is invalidated or its protection expired.[351] Another view argues that the contract will not be terminated if the protection of trademark rights is expired or the trademark is invalidated; because the trademark will continue to be protected under unfair competition.[352] Considering that two unregistered trademarks could be a subject of the trademark coexistence agreement, it must be admitted that the contract does not terminate in case of invalidity of the contract or termination of protected rights duration.[353]

Another factor which cause a termination of the contract is the possibility that the contract does not meet the validity requirements under applicable law. In such cases, the contract shall be deemed null and void.[354]

The most important result of trademark coexistence agreement is that with the given consent, the use of trademark does not constitute a violation of the trademark right. However, unauthorized use beyond the limit of the contract will constitute an breach of the contract.[355] That situation gives other party to rightful termination of contract. Trademark coexistence agreement is a contract with continuous performance; thus, it shall only be terminated effectively, it shall not terminate by avoidance.[356]

---

[351] **KILIC,** p. 92; **OZDEMIR,** p. 94.

[352] **GUN,** p. 142.

[353] *Ibid.*

[354] **KILIC,** p.92.

[355] **GUN,** p. 137.

[356] **KILIC**, p. 93.

In addition, extraordinary termination of Trademark Coexistence Agreement is also possible. The conditions related to extraordinary termination should be evaluated individually for each case.[357]

Parties may also decide to terminate the coexistence agreement for the reason of there is no more risk of confusion between trademarks.[358] Within the duration of agreement, the likelihood of confusion risk might be removed in case of consumer's eye regarding usage of trademark for long time.[359] Thus, parties may not wish to restrict its trademarks. In that case, parties may liquidate the contract. While drafting a contract, parties may include a provision for this specific termination case.

[357] **GUN,** p. 144.

[358] **SMITH/MONTAGNON,** p.345.

[359] **TEKINALP,** p. 368.

CONCLUSION

The most important function of the trademark is to distinguish the goods and services of a business from other businesses. In addition, the trademark has other functions such as guarantee and advertising function. In trademark law in order to make these functions effective, same or indistinguishably same trademark to the registered trademark shall not be registered under same or similar type of goods or products. This principle is known as the principle of specialty trademark.

The strict implementation of this principle, in some cases, is incompatible with the trademark owners' will. As a result of years of practice, it has been recognized that in some cases an exception may be made to this principle. Trademark coexistence agreement is one of these exceptions. With this agreement, the parties often set rules to remove the likelihood of confusion risk and explain their consent to coexistence of trademarks.

The coexistence agreement is mainly developed within the framework of the freedom of contract and as in every agreement it is limited to the restrictions of the agreement such as compulsory legal rules, public order, impossibility.

With this agreement, the parties may determine the restrictions to use their trademarks by eliminating the possibility of confusion risk between their trademarks. This limitation may be regional-based, product-based or use-based. In addition, the contract may be in the form of consent to the registration of the later trademark, in the frame of freedom of the contract.

While drafting a contract, generally it is accepted that the risk of confusion between trademarks should be removed. Even though there may be differences in practices between countries or regions; we agree that the coexistence of two trademarks that are likely to be confused is incompatible with the essence of trademark law. Thus, agreements which do not eliminate the risk of confusion between trademarks shall be deemed invalid due to non-compliance with public order. There is no such a regulation in Turkey for evaluating likelihood of confusion risk in trademark coexistence agreement, thus it is assumed that Turkey is not going to consider likelihood of confusion risk in this contract. However, this situation might be harmed public interest.

Due to the fact that there is no registry system for trademark coexistence agreement in Turkey and EU, in case of there is no breach of the contract, the agreement generally remains private between parties. However, it is considered that this situation may lead to loss of rights of third parties who are not aware of the contract. Thus, it is considered that a registry system might be a good solution for prevention of loss of rights.

In addition, the contract must not be contrary to competition law. At this point, the assessment is based on the fact that the contract provides a realistic solution to the possibility of confusion and does not aim to divide the market. Otherwise, the contract should be deemed invalid. Each contract will be evaluated separately to consider the risk of incompatibility with contract law.

With the signing of this agreement, the parties avoid particularly long-term litigation and provide economic benefits. However, the fact that some administrative authorities and courts do not take this agreement into consideration during the review, it has some negative consequences for the contract. Since the agreement is a declaration of will between the parties, it must be taken into consideration in every dispute.

In order for the contract to be valid for many years, in particular; the parties and beneficiaries of the contract, trademarks usage limitations, the duration, the regional or product-based restrictions, the trade channels and the termination of the contract should be carefully determined. In addition, setting a date for the review of the contract between the parties will reduce the risk of conflict. Parties also set penalty clauses under this agreement.

Finally, the agreement might be terminated at the end of the contract duration or avoidance of the contract. Invalidation of the contract is another reason for termination of the contract. in case of invalidation of the contract. Trademark Coexistence Agreement by its nature stands for a long time thus in case of trademarks which are the subject of the contract gain a distinctive character, parties may terminate the contract for the reason that there is no reason for limitation for their trademarks.

BIBLIOGRAPHY

"IP and Business: Trademark Coexistence", WIPO Magazine, No.6/2006, November 2006.

AKGULOGLU, Gizem/ **ELIS,** Virna: Turkey Welcomes Letters of Consent,World Trademark Review, April/May 2018, p.108-109.

ANTONIO, Jose: New Rules on Trademark Coexistence Agreement, Mondaq Business Briefing. July 1, 2013.

ARANTES, Roberta/**DANIEL-SHORES** Robert: Brazil: Trademarks 2019, 26.04.2019, **https://iclg.com**

ARKAN, Sabih: Marka Hukuku, C.II, Ankara, 1998.

ASH, Karen Artz/**DANOW** Bret J., US TradeMarks: TTAB Refuses Co-existence agreement, Managing Intellectual Property, 4.18.2016, p17-17.

ASH, Karen Artz/**DANOW**, Bret J.: Co-existence agreements, Managing Intellectual Property, December 2009-January 2010, Issue 195, p108-108.

ATES, Mustafa: The Relationship between Competition Law and Private Law, Banka ve Ticaret Hukuku Dergisi, vol. 29, no. 3, September 2013, p. 85-110.

AYDINCIK, Şirin: Fikri Haklara İlişkin Lisans Sözleşmeleri, 2006, Ankara.

AYKURT KARACA, Elif: Markanın Tekliği İlkesi Ve İlkenin İstisnası Olarak Muvafakat, Gazi University, Master Thesis, June 2019, www.yoktez.com

BALL, Imke: Law in Action: Trademark Coexistence agreements and OHIM-Uneasy Bedfellows, 2012.

BASMA, Dina: The Nature, Scope, and Limits of Modern Trademark Protection: A Luxury Fashion Industry Perspective, University of Manchester, Doctoral Thesis, 2016.

BOLTON, Emily: Defining Genuine Use Requirements of Community Trademarks In Light Of An Expanding European Union, p.2, www.wipo.int

BONE, Robert G.: Hunting Goodwill: A History of The Concept Of Goodwill In Trademark Law, Boston University Law Review, 2006, Vol: 86 (3) (GOODWILL).

BONE, Robert G.: Taking the Confusion Out of Likelihood of Confusion: Toward a More Sensible Approach to Trademark Infringement, 2012, Nortwestern University Law Review, Vol. 106 No.3.

BOZBEL, Savas: Fikri Mülkiyet Hukuku, On iki Levha Yayıncılık, İstanbul, 2015.

BROWN Ralph S. Jr.: Advertising and the Public Interest: Legal Protection of Trade Symbols, Yale Law Journal, Vol.108, 1999.

BRYER, Lanning G.: International Trademark Protection, www.inta.org (Protection).

BRYER, Lanning G.: Trademarks in Business Transactions, December 2018, www.inta.org (Business).

BURKE E.: 'The History of Trademarks' (Tabberone, nd.)<http://www.tabberone.com/Trademarks/TrademarkLaw/History/History.shtml.>Accessed 26 October 2015.

CALBOLI, Irene: Trademark Assignment "With Goodwill": A Concept Whose Time Has Gone; Florida Law Review, 2005, Vol. 57.

CARON, Emily: Golden Knights, U.S. Army End Trademark Dispute, Enter Coexistence Agreement., Sports Illustrated.com. 7/20/2018, p1-1.

CARTER Stephen L.: The Trouble with Trademark, 1990, YALE Law Journal Vol. 99.

CASTRO, Yira López: Freedom of contract and the coexistence of trademark registrations in Colombia, La autonomía contractual como sustento para la coexistencia de registros marcarios en Colombia. Estud. Socio-Juríd (online). 2011, vol.13, n.2, pp.353-378.Available from:<http://www.scielo.org.co/scielo.php?script=sci_arttext&pid=S0124-05792011000200013&lng=en&nrm=iso>. ISSN 0124-0579.

COHEN, Joe: The enforceability and impact of trademark co-existence agreements, Journal of Intellectual Property Law & Practice, 2010, Vol. 5, No. 10, p. 680-682.

COLAK, Ugur: Türk Marka Hukuku, 3rd Edition, Oniki Levha Yayınları, 2016, Istanbul.

CORNISH, William/ **LLEWELYN,** David/ **APLIN,** Tanya: Intellectual Property: Patents, Copyright, Trade Marks and Allied Rights, Eight Edition, Sweet Maxmell, 2013.

CORNISH, William: Intellectual Property Omnipresent, Distracting, Irrelevant? , Oxford University Press, 2006.

DALKIRAN, Mustafa: Rekabet Hukuku Çerçevesinde Marka Hakkının Değerlendirilmesi, Türk Patent Enstitüsü Markalar Dairesi Başkanlığı, Dissertation, Ankara, 2011, (www.teknolojitransferi.gov.tr).

DELIKTAS, Emre Ali: Tanınmış Markanın Farklı Mal ve Hizmetler Yönünden Korunabileceği Haller, Master Thesis, 2018 (**https://tez.yok.gov.tr**).

DENG, Ming/ **YU,** Nicole: Trademark Coexistence or Trademark Confusion?-A Comparative Study from Perspectives of Europe and China, China Patents & Trademarks No.4, 2017.

DIAMOND Sidney A.: The Historical Development of Trademarks, The Trademark Reporter, 1975, Vol. 65, p. 265, 290.

DONOVAN, Mary A.: Trademark Administration, The Who, What, How and Why,12/2014, New York, http://www.inta.org

DURAL, Ali: "Sınai Mülkiyet Kanunu 5/3 Düzenlemesi (Coexistence), Sınai Mülkiyet Kanunu'nun Bir Yıllık Uygulaması, Istanbul Bar Symposium, 27.04.2018, https://www.youtube.com

EASTERBROOK Frank H.: Intellectual Property is Still Property, 13 Harvard Journal of Law & Public Policy ,1990, Vol.108.

ELSMORE, Matthew J: Trademark Coexistence Agreements: What is all the (lack off) fuss about?, Script-ed, 2008, Volume 5, Issue 1.

EMINOGLU, Cafer: Marka Sahibinin Tekliği İlkesi ve Bu İlkenin Markanın Devri Bağlamında İncelenmesi (Anayasa Mahkemesi'nin 556 Sayılı Khk'nın M. 16/5 Hükmünü İptal Eden Kararı Bağlamında Bir Değerlendirme), Yıldırım Beyazıt Hukuk Dergisi, 2016, Vol. 1.

EREN, Fikret: Borçlar Hukuku Genel Hükümler, 2003, 8. Edition, Ankara, BETA Yayınları.

ESPANTALEÓN, Jaime: Non-suit clauses in coexistence agreements, Journal of Intellectual Property Law & Practice , March 2016, Vol. 11 Issue: 3 p175-175.

EUIPO, Guidelines For Examination Of European Union Trademarks, Part C, Section 4, Rights Under 8(4) and 8(6) EUTMR, 2017, p.3.

EVANS, Gail E.: Recent Developments in the Protection of The Trademarks and Trade Names in the European Union: From Conflict To Coexistence? , The Trademark Reporter, 2007, 98, p. 1008.

FERRERO, Emilio: Coexistence agreements fall short, Managing Intellectual Property. Nov2004, Issue 144, p78-78.

FIRAT, Duygu/ **BADEM,** Cemkut; Marka Değerleme Yöntemleri ve Marka Değerinin Mali Tablolara Yansıtılması, Muhasebe ve Finansman, Vol. 38, 2008, p. 210-219.

FOLLIARD-MONGUIRAL Arnaud: Coexistence in Community Trade Mark Disputes: When is it Recognized and What are its implications?, Trade Mark Law and Sharing Names, p. 51.

FOLLIARD-MONGUIRAL Arnaud: Coexistence in Community Trade Mark Disputes: Conditions and Implications, Journal of Intellectual Property Law & Practice, Vol.1, No.11, p.703-713.

FOLLIARD-MONGUIRAL/ Arnaud- **ROGERS**, David: Community Trade Mark Round-Up 2017, Journal of Intellectual Property Law & Practice, Volume 13, Issue 5, May 2018, Pages 357–376.

GIANNINO, Michele: A coexistence agreement concerning EU trade marks must include the explicit consent of the holder of earlier rights to the registration of the conflicting mark., Journal of Intellectual Property Law & Practice, Dec2017, Vol. 12 Issue 12, p960-962, (Explicit Consent).

GIANNINO, Michele: EU General Court finds likelihood of confusion between HOTEL CIPRIANI and CIPRIANI for certain goods and services, *Journal of Intellectual Property Law & Practice*, Volume 13, Issue 12, 1 December 2018, Pages 924–925, https://doi.org/10.1093/jiplp/jpy150

Goldstone Resources Ltd. - Co-Existence Agreement with Ferrex plc., ENP Newswire, 16Jan.2013, AcademicOneFile, http://link.galegroup.com/apps/doc/A315000180/AONE?u=ankara&sid=AONE &xid=a17a662. Accessed 25 Nov. 2018.

GREENE, Lawrence: The Ties That Bind? Considerations in Drafting and Maintaining U.S. Trademark Consent and Coexistence Agreements, INTA Bulletin, March 15, 2012, Vol. 67 No. 6.

Guidance Coexistence Agreement: Fact Sheet, 2 December 2008, www.gov.uk

GUN, Betül: Marka Hukukunda Birlikte Var Olma, Master Thesis, 2019, Istanbul.

GUNES, Ilhami: 6769 sayılı Sınai Mülkiyet Kanunu Işığı ile Uygulamalı Marka Hukuku, Ankara, 2018, Adalet Yayınevi (Trademark Law).

GUNES, Ilhami: Marka Hukukunda Önceye Dayalı Haklar, Master Thesis, 2012, Izmir (Master Thesis).

HANAK, Elmer William III: The Quality Assurance Function of Trademarks, Trademark Reporter Vol. 65, 1975.

HASHIM, Yasmine: How to avoid risks in co-existence agreements, Managing Intellectual Property. April 2004, Issue 138, p42-45.

High Court Does Not Disturb Spirit of Trade Mark Co-Existence Agreement Made Way Back in Time - Omega v Omega, High Court, Mondaq Business Briefing. July 28, 2010.

HORTON HEADINGTON, Lucy/ **FAN** Susan: Trademark Coexistence in China, Business Law Bulletins: Intellectual Property, May-June 2013, p.34.

HUYDECOPER, Tony**/** **NISBEN,** Constant One/ **JEHOREM,** Tobias Cohen: European Trademark Law Community Trademark Law and Harmonized National Trademark Law, 2010, United Kingdom.

Introduction to Trademark Law and Practice, The Basic Concept, A WIPO Training Manuel, Geneva 1993, Second Edition, https://www.wipo.int/

KANEV, Gorgi: Continuing EU Trade Mark Reform Codification & Detailed Procedures,September 2017, p.1, **http://files.peterkapartners.com**

KARASU, Rauf/**SULUK**, Cahit/**NAL:** Temel, Fikri Mülkiyet Hukuku, 2018, Ankara.

KASAK, Fahri Erdem: Sözleşme Özgürlüğünün Sınırı Olarak Kanunun Emredici Hükümlerine Aykırılık, Istanbul, 2019, On İki Levha Yayıncılık.

KAYA, Arslan: Marka Hukuku, 2006, Istanbul, Arıkan Press.

KESER, Yıldırım; Marka Hukukunda Kullanım Sonucu Ayırt Edicilik Kazandırma, Doctoral Dissertation, Istanbul, 2014, p.7-8.

KILIC, Ahmet Hasan: Markaların Birlikte Var Olma Sözleşmesi, Ticaret ve Fikri Mülkiyet Hukuk Dergisi, 2017, 3(2), s.77-96.

KILICOGLU, Ahmet: Borçlar Hukuku Genel Hukumler,14th Edition, Turhan Kitabevi, Ankara, 2011.

KITCHIN, David/ **LLEWELYN,** David/ **MELLOR,** James/ **MEADE,** Richard/ **MOODY STUART,** Thomas/**KEELING,** David: KERLY'S Law of Trade Marks and Trade Names, Fourteenth Edition, London Sweet Maxmell, 2005.

KRISHNA, Pravin/**MANSFIELD**, Edward D./**MATHIS,** James H., The WTO and Preferential Trade Agreements: From Co-Existence to Coherence, World Trade Review, Vol. 11, Issue 2, April 2012, pp. 327-339.

KUCUKALI, Canan: Marka Hukukunda Karıştırma Tehlikesi, Ankara: Seçkin Yayınları, 2009.

LANDO, Ole/**BEALE,** Hugh: Principles of European Contract Law Part I and II Combined and Revised, Kluwer Law International, 2000.

LAROSE, Francois: Coexistence of Trademarks: The Limited Scope Of Consent Agreements, Mondaq Business Briefing, 26 Mar. 2018, www.mondaq.com

LAWSEN, Maria Martens/**KJESERUD** Linn: Trademark Coexistence Agreements in the EU from an Interdisciplinary Perspective, Master Thesis, 2009, Aarhus School of Business.

MCCARTHY, Thomas J.: Mccarthy On Trademarks and Unfair Competition § 2:2 (4th ed. 2016).

MCCLURE, Daniel M.: Trademarks and Unfair Competition: A Critical History of Legal Thought, Trademark Reporter, Vol 6, 1979.

MEMISOGLU, Sami Özgür: Marka Hukukunda Mutlak Ret Sebepleri, 2019, Ankara.

MOSS, Marianna: Trademark Coexistence Agreements: Legitimate Contracts or Tools of Consumer Deception, Loyola Consumer Law Review, Vol. 18, Issue 2, 2005, pp. 197-222.

MOSSOFF, Adam: Trademark as a Property Right, Kentucky Law Review, Vol. 107, 2018-2019 No. 1, p 47.

MUTLUOGLU, Tarık: Markanın Kullanım Sonucu Ayırt Edici Özellik Kazanması, Master Thesis, 2010.

NANAYAKKARA, Tamara: Independent Existence or Coexistence of Identical or Similar Trademarks, **https://www.wipo.int/export/sites/www/sme/en/documents/pdf/trademarks_identical.pdf**

OGUZ, Arzu: Concept of Due Cause Concerning Opposition on the Ground of Well-Known Trademark in Light of Judicial Decisions, Inonu University Law Review, INUHFD, C. 9, N.1,2018, p.419-444.

OGUZ, Ruhsar Selenay: Marka Hukukunda Birlikte Var Olma Sözleşmesi, Master Thesis, 2016.

OKTAY, Saibe: İsimsiz Sözleşmelerinin Geçerliliği, Yorumu ve Boşluklarının Tamamlanması, IHFM, C, LV, 1996.

OZDEMIR, Saibe Oktay: Sınai Haklara İlişkin Lisans Sözleşmeleri ve Rekabet Hukuku Düzenlemelerinin Lisans Sözleşmelerine Uygulanması, BETA Basım, 2002.

OZEL, Caglar: Marka Lisansı Sözleşmesi, Ankara, 2015, Seckin Hukuk, updated 2nd version, p. 47.

OZKAN, Zehra: Avrupa Özel Hukukunun Uyumlaştırılması, Ankara Üniversitesi Hukuk Fakültesi Dergisi 66 / 1, March 2017, p. 157-200.

PARSONS, Giles Merck Global v Merck US: the intricacies of co-existence agreements, Whittingham, Sam. Journal of Intellectual Property Law & Practice , July 2018, Vol. 13 Issue: 7 p521-523.

PASLI, Ali: Marka Hukukunda Ürün Benzerliği, İstanbul, Vedat Kitapçılık, 2018.

PEUKERT, Alexander: The Coexistence of Trade Mark Laws and Rights on the Internet, and the Impact of Geolocation Technologies, 2016, International Review of

Intellectual Property and Competition Law (IIC) 47(1) 2016, 60-87. https://ssrn.com/abstract=2934262.

PRENTOULIS, Nikos G.: The Omega Ruling: Trademark Co-Existence Agreements in the Tension between "Public" and "Private" Trademark Law, Intellectual Property Review, 2008, 2008 Case Comment E.P.I.R. 2008, 30(5), pp. 202-205.

REYES, Carlos Mexico: Legal Effect of Coexistence Agreements, Managing Intellectual Property, September 2013.

ROGERS, Edward S.: Comments on the Modern Law of Unfair Trade, 3 ILL.L.R. 551, 1908-1909.

RONCAGLIA, Pier Luigi/**SIRONI** Giulio Enrico: Trademark Functions and Protected Interests in the Decisions of the European Court of Justice, Trademark Reporter, 2011 Vol. 101.

SANDNER, Philipp: The European Trademark System, The Valuation of Intangible Assets. 2009, Gabler, pp. 11-34.

SAYINER, Cemil: Marka Lisansı Sözleşmelerinin İncelenmesi, Türk Patent Enstitüsü Markalar Dairesi Başkanlığı Uzmanlık Tezi, Ankara, 2008.

SEGAL, Ilya/**WINSTON,** Michael D.: Property Rights, 2010, p.2, http://web.stanford.edu

SMITH, Joel/ **MONTAGNON,** Rachel: Coexistence Agreements With A Not-Too-Similar Competitor: Best Negotiating Practice, Journal of Intellectual Property Law & Practice, May 2012, Vol. 7 Issue: 5 p340-340.

SNYDER, Steven L.: Why Can't We Be Friends? Trademark Co-Existence Agreements, Venulex Legal Summaries. 2001, p1-2.

STORKEBAUM, Rupprecht: The Evolution of the Concept of Pre-Right Declarations into Coexistence Agreements, The Trademark Reporter, vol. 68, no. 1, 1978, p. 47-55.

TEKINALP, Unal: Fikri Mülkiyet Hukuku, 5th Edition, Vedat Kitapçılık, Istanbul 2012.

THOMSEN, Carin: Trademark Co-Existence Agreements in the Perspective of EU Competition Law, Department of Law Master's Thesis, 30 ECTS, Fall semester of 2012.

TOAN, Pam Vu Khanh: Vietnam: Trademark 2019, 26.04.2019.

TURKPATENT, Trademark Examination Guidelines, 2011.

United States Patent and Trademark Office, Trademark Manual of Examining Procedure, October 2018, 1207.01. Likelihood of Confusion **https://tmep.uspto.gov**

Use of a Trademark, Trademark Reporter, 2019, Vol. 109.

VANDEVELDE Kenneth J.: The New Property of the Nineteenth Century: The Development of the Modern Concept of Property, 1980, Vol. 29 Buffalo. Law Review.

VISKUSENKO, Melis Abacıoğlu,: Markalar İle İlgili Sınai Mülkiyet Kanunu'nda Yer Alan Değişiklikler, Ankara Barosu Fikri Mülkiyet ve Rekabet Hukuku Dergisi, 2018/1, p. 55-86.

WILES, Spencer: The TTAB Should Drink a Beer and Relax: Implications for Trademark Consent Agreements in the Craft Brewing Industry after in re Bay State Brewing Company, Inc., Washington and Lee Law Review Online, Vol. 74, Issue 1 (2017-2018), pp. 103-158.

WILKOF, Neil: "Out of the Shadows: The Unique World of Trademark Consent Agreements", The Law and Practice of Trademark Transactions, Ed. Irene Calboli & Jacques de Werra, Cheltenham (İngiltere), Northhampton (MA – ABD), Edward Elgar Publishing, 2016, s. 257- 276.

WIPO, Standing Committee On The Law of Trademarks, Industrial Designs and Geographical Indications, Twenty-Second Session, Geneva November 23-26,2009, https://www.wipo.int/

WIPO, Standing Committee on the Law of Trademarks, Industrial Designs and Geographical Indications, Summary of Replies to the Questionnaire on Letters of Consent, 2 February 2010.

YAPAR, Fulya: Türk Avrupa Birliği Hukukunda Marka Olabilecek İşaretler, Ankara, 2018, Master Thesis.

YASAMAN, Hamdi: Marka Hukuku, Vedat Kitapçılık, İstanbul 2004.

YASAR, Ali: Marka Hukukunda Karıştırma İhtimali, Istanbul Commercial University, Doctoral Thesis, Istanbul, 2016.

CASES

- Adam Opel AG v Autec AG, ECJ 25 January 2007, Case C-48/05.

- Agricola italiana alimentare SpA (AIA) v European Union Intellectual Property Office (EUIPO), General Court, Eight Chamber, Case T-389/16.

- American Steel Foundries v. Robertson, U.S. Supreme Court, 4 January 1926, 269 U.S. 372,380.

- Arsenal Football Club plc v Matthew Reed, CJEU, 12 November 2002, C-206/01.

- BAT v Commission of the European Communities, CJEU, 30 January 1985, C-35/83.

- EUIPO, Case R 1167/2006-1 British Sky Broadcasting Group plc. v VORTEX, 27 November 2007.

- First Board of Appeal of EUIPO, Vichy Celestine V. Vichy Catalan, R 24/2003-1, 12 July 2004.

- General Court, Gestao de Serviços Lda v EUIPO, Case T-438/16, Judgment of 1 March 2018, Altunis-Trading, EU:T:2018:110.

- Industrial Indem v. Apple Case: Industrial Indemnity Company v. Apple Computer Inc. Court of Appeal of the State of California, First Appellate District, Division Three, filed 16.04.1999, Ref. Number. A074119.

- Judgment of the Court of First Instance (Fifth Chamber), Omega Sa v OHIM, T-90/05, 6 November 2007.

- Koninklijke Philips Electronics NV v Remington Consumer Products CJEU, 18 June 2002, C-299/99.

- L'Oréal SA vs Bellure NV, CJEU, 18 June 2009, C-487/07.

- Lloyd Schuhfabrik Meyer & Co. GmbH v. Klijsen Handel, CJEU, 22 June 1999, Case C-342/97.

- MGW Group Inc. V Gourmet Cookie Bouquets.com, 16 August 2004, Claim No: FA0405000273996.

- O2 Holdings - O2(UK) Limited v Hutchinson, CJEU, 12 June 2008, C-533/06.

- Persil Trademark [1978] 1 CMLR 395.

- Ron Caudwell Jewelry Inc. v Clothestime Clothes Inc. 63 U.S.P.Q.2d, 2009.

- Sabel BV v PUMA AG Rudolp Rassler Sport, CJEU, 11 November 1997, Case C-251/95.

- Second Board of Appeal of EUIPO, Compair Limited v. Naber + Co. KG, R 590/1999-2, 30 July 2002.

- Sirdar v Phildar, CJEU, 5 March 1975, C-75/297.

- The Commission of the European Communities, Penneys, 78/193/EEC, 23 December 1977.

- U.S. Court of Appeals for the First Circuit, TT Mfg. Co. v. A.T. Cross Co, 1978- 587 F.2d 533.

- U.S. Federal Circuit Court of Appeals**,** In re E. I. du Pont de Nemours & Co., 476 F.2d 1357 (CCPA 1973).

- United Drug Co. v. Theodore Rectanus Co., U.S. Supreme Court, 9 December 1918, 248 U.S. 90.

- United States Court of Appeals for the Federal Circuit, In re: Guild Mortgage Company, Case No. 2017-2620 (Fed. Cir. Jan. 14, 2019).

- United States Court of Appeals, Federal Circuit, Feb. 12 1987, Bongrain International (American)Corporation, v. Delice De France, INC., Appeal No. 86-1303., 811 F.2d 1479, 55 USLW 2512, 1 U.S.P.Q.2d 1775.

- US Court of Appeals for the Ninth Circuit, California Packing Corporation v. Sun-Maid Raisin Growers of California, 3 February 1936, 81 F.2d 674.

- US Second Circuit Court of Appeals, Times Mirror Magazine v Field & Stream Licensing Co., June 26 2002, 294 F3d 383,384.

- Vincenzo Fusco v OHIM CJEU, 1 March 2015, T-185/03.

- Yargıtay 11. Law Circuit, 3 March 2014, E: 2013/11923, K: 2014/3959.

-US Second Circuit Court of Appeals, The Clorox Company, v. Sterling Winthrop, Inc, 26 June 1997, 117 F.3d 50.

ABSTRACT

In trademark law, the principle of specialty is essential, however there are some exceptions to this principle. Trademark Coexistence Agreement is one of these exceptions. Trademark Coexistence Agreement is an agreement by two or more persons that similar marks can coexist without any likelihood of confusion; it allows the parties to set rules by which the marks can peacefully coexist. This thesis is focuses on this agreement particularly.

In the scope of this thesis; firstly, the principle of uniqueness in the trademark law and the exceptions of this principle are discussed. Additionally, the coexistence agreement has been defined, the differences of this agreement with similar institutions have been discussed and the appropriate conditions for the entering into a coexistence agreement have been explained. Afterwards, the restrictions of the trademark coexistence agreement were discussed by considering the practices and judicial decisions in different countries and regions. In this context, the risk of confusion and the restrictions on competition law were examined and the effects of these restrictions on the contract were discussed. Finally, the provisions that should be taken into consideration by parties when drafting the trademark coexistence agreement and the points to be considered in these provisions were examined.

As a result, although there are regional and national differences in the implementation and recognition of the trademark coexistence agreement, it is understood that this agreement has a great importance in preventing and solving disputes between the parties.

ÖZET

Marka hukukunda, markada teklik ilkesi esas olmakla birlikte, bu ilkenin bazı istisnaları bulunmaktadır. Bu istisnalardan bir tanesi de, marka sahiplerinin rızaen birlikte var olma sözleşmesi akdederek markaların birlikte var olmasına karar vermesidir. Markaların birlikte var olma sözleşmesi, aynı veya benzer markaların, barışçıl bir şekilde karıştırılma ihtimali olmaksızın birlikte var olabilmesini sağlayan bir sözleşmedir. Bu tezin kapsamını da işbu sözleşme oluşturmaktadır.

Tez kapsamında; öncelikle markada teklik ilkesi ve bu ilkenin istisnaları ele alınmıştır. Bunlara ek olarak; markaların birlikte var olma sözleşmesi tanımlanmış, bu sözleşmenin benzer kurumlarla olan farkları tartışılmış ve bu sözleşmenin akdedilmesi için uygun koşullar açıklanmıştır. Sonrasında, farklı ülke ve bölgelerdeki uygulamalar ve yargı kararları göz önünde bulundurularak markaların birlikte var olma sözleşmesinin oluşumu ve kısıtlamalarına değinilmiştir. Bu kapsamda özellikle karıştırılma ihtimali ve rekabet hukukuna ilişkin kısıtlamalar incelenmiş, bu kısıtlamaların sözleşme üzerindeki etkilerine değinilmiştir. Son olarak, tarafların birlikte var olma sözleşmesi akdederken yer alması gereken hükümler ve bu hükümlerde dikkat edilmesi gereken noktalara dikkat çekilmeye çalışılmıştır.

Sonuç olarak, birlikte var olma sözleşmesinin uygulaması ve tanınmasında bölgesel ve ülkesel farklılıklar olmasına rağmen bu sözleşmenin taraflar arasında uyuşmazlığın önlenmesinde ve uyuşmazlığın çözümünde oldukça büyük öneme sahip olduğu anlaşılmıştır.

GULBERK ACIK

Address: Mustafa Kemal Mah. 2141. Cad. 24/9 Cankaya/ANKARA

Job: Attorney at Law

Nationality: T.C.

Membership to Professional Organizations: Ankara Bar Association

Qualifications :

During the period between 2014-2016; Mrs. Acik focused in the area of public procurement law, contract law, arbitration and labour law. In 2014-2015, she participated in Vis Moot International Arbitration Competition as a representative of Ankara University in such countries as Austria, Russia and Hungary.

In 2016, she established ERK Law and Consultancy. She especially focused in public procurement law, contract law, labor law and intellectual property law. In this process, she continued to provide consultancy and advocacy services to national and international companies working in the private sector, as well as consultancy to public administrations.

She finished her master thesis in Intellectual Property LLM programme which is a cooperating programme between WIPO, Ankara University and Turk Patent.

Education:

1999-2006: TED Ankara College

2010-2015: Ankara University Law Faculty

2013-2014: Lusofona University

2016-2019: Ankara University, WIPO, Turk Patent LLM Programme (Intellectual Property Law)

Foreign Languages: *English (Speaking, Reading and writing)*

GÜLBERK AÇIK

Adres: Mustafa Kemal Mah. 2141. Cad. 24/9 Çankaya/ANKARA

Mesleği: Avukat

Uyruğu: T.C.

Anahtar Nitelikleri:

2014-2016 yılları arasında; özellikle ihale hukuku, sözleşme hukuku, tahkim hukuku, iş hukuku ve fikri mülkiyet hukuku ağırlıklı çalışmalar göstermiştir. 2014-2015 yılları arasında Vis Moot Uluslararası Tahkim yarışmasına katılarak Ankara Üniversitesini Avusturya, Rusya, Macaristan ülkelerinde temsil etmiştir.

2016 yılından itibaren ERK Hukuk ve Danışmanlık Ofisini kurmuş olup özellikle ihale, ihale sözleşmeleri ve fikri mülkiyet alanında yoğunlukla faaliyet göstermiştir. Bu süreçte özel sektörde çalışan ulusal ve uluslararası firmalara danışmanlık ve avukatlık hizmetleri vermenin yanısıra kamu idarelerine danışmanlık faaliyetlerini sürdürmüştür.

Eğitim:

1999-2006: TED Ankara Koleji

2010-2015: Ankara Üniversitesi Hukuk Fakültesi

2013-2014: Lusofona University

2016-2019: Ankara Üniversitesi, WIPO, TÜRK PATENT Fikri Mülkiyet Hukuku (İngilizce)

Yabancı Diller:

İngilizce konuşma(mükemmel), okuma (mükemmel), yazma(mükemmel)