

## **Report Q208**

in the name of the Turkish Group  
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### **Border Measures and other Measures of Customs Intervention against Infringers**

#### **Questions**

##### **1) Analysis of current law and case law**

The Groups are invited to answer the following questions under their national laws:

- 1) *Do the laws of your country provide for border measures? If so, what is the legal basis?*

Turkish customs authorities are empowered to temporarily suspend the release of allegedly infringing goods, either ex officio, or upon the request of an IPR holder. The legal basis is an act of parliament called Customs Law No. 4458 (hereafter referred to as "Customs Law"), adopted on October 27, 1999 and entered into force on November 04, 1999, and Implementing Regulations of Customs Law (hereafter referred to as "Implementing Regulations") which entered into force on June 31, 2002. Border measures are provided in Article 57 of Customs Law and Articles 105-111 of Implementing Regulations.

In addition, Decree Law No. 554 for the protection of Industrial Designs (Art. 66), Decree Law No. 555 for the protection of Geographical Indications (Art. 37), Decree Law No. 556 for the protection of Trademarks (Art. 79), Copyright Act No. 5846 (Art. 77), the Act for protection of Integrated Circuits No. 5147 (Art. 36), include specific provisions parallel to the Customs Law and Implementing Regulations.

Turkey is a party to both the Paris Convention for the Protection of Intellectual Property and to the agreement on Trade Related Aspects of Intellectual Property Rights (TRIPS).

- 2) *Do the laws of your country provide for other measures of customs intervention against infringers? If so, which ones and what is the legal basis?*

In addition to the specific legal basis discussed above, a preliminary injunction can be sought on the basis of general provisions of IP and Civil Procedural Law directly through a competent court.

- 3) *Are border measures and other measures of customs intervention against (collectively referred to as "border measures") only available for pirated copyright and counterfeit trademark goods or also for goods infringing other IP rights? If so, for which types of IP rights are border measures available?*

*Are border measures in particular available for goods infringing patents, plant variety rights, common law marks, unregistered design rights, or geographic indications?*

*Is actual registration of the IP rights required or is an application to register sufficient?*

*Does unfair competition, passing off or the like give rise to border measures?*

According to the Customs Law, the customs procedure of the goods infringing the rights of the holder of copyright, trademarks, geographic indications, and industrial designs, shall be suspended by the customs authorities either ex-officio or upon the request of the right holder or his representative. However, Implementing Regulations extend customs intervention to counterfeits that violate a registered patent or a utility model. There is no specific provision concerning the implementation of suspension of release procedure against the infringement of non-registered IPRs, the violation of unfair competition provisions or passing off. Nevertheless, the Turkish Group is of the opinion that one may be able to obtain a preliminary injunction order for the suspension of such goods through the general provisions of the Turkish Code of Commerce and the Civil Procedural Law.

The Decree Laws regarding the protection of trademarks and patents entitles the owner of a trademark or patent application to enforce its rights against third parties upon the publication of the application. However, the courts are not entitled to render the final decision unless the application matures into registration.

The Decree Law regarding the protection of industrial designs entitles the owner of a design registration to enforce its rights against third parties upon the publication of the registration. It should be noted that in Turkey an opposition against the industrial design application is available only after the registration.

Design and patent rights can be enforced if the IPR holder notifies the alleged infringer as to the filing particulars and the content of the design and/or the patent application. However, although it is theoretically possible to enforce the rights arising from an application, in practice the customs are inclined to seek a registered IPR for initiating customs intervention.

Copyright protection is born as of its creation. The copyright holder is entitled to request the registration of the copyright before the Ministry of Culture. Such registration is only a declarative registration with no constitutive effect. It shall however be stressed that no registration is required for customs intervention.

4) *Are border measures available for parallel imported goods?*

*Are border measures available for goods contained in a travellers' private luggage?*

*Are there any other goods excluded by your border measures legislation?*

In Turkey the approach for the application of the principle of exhaustion is similar in the case of each IPR. In order for a right to be exhausted, a product to which a right is attached has to be introduced on the market in Turkey by the right owner or by a third person but under the consent of the right owner. Under Turkish law, it is the system of national exhaustion that is applied. While the concept of precedence is not applied by the Turkish Judiciary in a systematic manner, it is generally accepted by the 11th Chamber of the Supreme Court, whereby once goods are put to sale and marketed in commerce in Turkey by a right holder or an authorized user, the rights vested on said marketed goods are exhausted globally, as if the principle of international exhaustion were applicable in terms of Turkish law. Therefore according to the Supreme Court's case law, it is possible to say that parallel importation is allowed in Turkey under the Case Law and that the border measures are not available for the parallel imported goods. Genuine goods subject to parallel importation are not considered and/or treated as counterfeit or pirated unless the condition of the goods is changed or impaired after they have been put on the market. The acts related with a product containing the registered trademark shall not constitute a breach of the rights of a registered trademark, where such acts have occurred after the product has been put on the market in Turkey by the proprietor or with his consent.

Quite understandably this practice has been creating tension especially for the exclusive distributors of famous trademarks, since parallel importers are free to import from all over the world the genuine goods which have been previously put on market in Turkey by the right holder or with his consent.

According to Customs Law, the border measures for IPRs are not applicable for goods contained in a traveler's private luggage, as long as those goods do not exceed the amount or value of personal use or fall in the scope of trade limits.

The personal goods and gifts brought by passengers and postal consignments of non-commercial nature shall also not be subject to border measures. The limits of non-commercial nature have been specified by Undersecretariat of Customs.

5) *Who is entitled to file an application for customs action?*

*Is there a centralised system for managing multiple applications for customs action through a single contact point?*

*What are the conditions for border measures?*

*In particular, what level of evidence for alleged infringement and other information is required by customs authorities regarding the application for customs action?*

*To which extent are customs authorities willing to receive training by the right holder?*

*Do customs authorities generally require the provision of a security to protect the owner, holder or importer of the allegedly infringing goods? If so, will such security depend on the type of IP rights?*

*May the customs authorities take ex officio measures? If so, what is the practical relevance of ex officio action in your country?*

*Are customs authorities liable in case of wrongful ex officio detention?*

Under the Customs Law and Implementing Regulations, the IPR holders or their representatives can file an application for customs action.

There is no centralized system for filing and managing multiple applications for customs action through a single point. An application for customs action must be filed separately at each customs office.

The following conditions have to be met to initiate border measures: An applicant must complete an application form issued by customs and evidence IPR ownership, which is usually a trademark or patent registration.

Although not compulsory, the following information may also be provided to customs authorities together with an application.

- the location or intended destination of the goods
- details of carriage and packaging
- intended dates of departure and arrival
- importer, exporter, carrier.

On the other hand, it is compulsory to specify the term within which Customs' monitoring is requested. Such term cannot exceed 30 days. Applications filed for an indefinite term or any term exceeding 30 days are not processed.

The Turkish Group believes that the customs authorities are generally not willing to receive training by the IPR holder at the time of filing a Customs application.

Although the Implementing Regulations empower the customs authorities to require the provision of a security, the Turkish Group's experience suggests that in practice the customs authorities rarely do so. The type of the IPR is irrelevant. If required, the amount shall be equal to the CIF amount.

The customs authorities can take ex-officio measures when they believe that there is prima facie evidence of IPR infringement. In such case, customs importation/exportation procedures are suspended for 3 days and the IPR holder is notified and invited to initiate the suspension of release proceeding. As there is no centralized system for customs action applications, the Turkish Group believes that ex-officio suspensions are useful for IPR holders in terms of avoiding the release of the counterfeit and pirated goods at the customs.

Customs authorities are exempt from any liability in case of wrongful ex-officio suspension proceedings.

- 6) *Are customs authorities properly equipped to identify goods which infringe patents, plant variety rights, common law marks, unregistered design rights, geographic indications or the like?*

The Turkish Group believes that the customs authorities are not properly equipped to identify goods, which infringe any IPR.

- 7) *Is only the right-holder or also the owner, holder or importer of the allegedly infringing goods notified once the customs authorities detain goods? How can the alleged infringer obtain information about the status of border measures and what information is provided by customs authorities to the alleged infringer?*

When customs suspend the release of the allegedly infringing goods, in addition to the IPR holder, the importer of the goods shall be given notice by the customs authority. Implementing Regulations set out that the suspension decision is served onto the owner of allegedly infringing goods as well, within the first following workday. In case the suspension decision is not served to the alleged infringer, he/she is entitled to apply to relevant customs authority in order to obtain information as to the status of his/her goods during importation/exportation.

- 8) *What happens after notification? Briefly describe the procedure following notification. Is the inspection of the allegedly infringing goods following notification usually carried out by the right holder or by an expert?*

*Does your border measures legislation provide for a simplified procedure allowing the destruction of the goods without there being any need to determine whether IP rights have been infringed? If so, in which cases? Are samples of the goods preserved for evidence purposes?*

*If proceedings must be issued to determine whether the goods infringe IP rights, are both civil and criminal proceedings available to determine infringement? What are the advantages and disadvantages of the respective proceedings?*

*What is the impact of a nullity action seeking to invalidate IP rights on the application for customs action?*

*May customs authorities release goods suspected of infringing IP rights on provision of a security by the owner, holder or importer of such goods? If so, will such release depend on the type of IP rights?*

Once a suspension of release decision is notified, IPR holder or representative may proceed with inspectoral and legal procedures regarding the suspended goods and provide the relevant customs authority with a preliminary injunction decision or a document as to initiation of actual proceedings via either civil or criminal route within 10 (ten) days as of service.

IPR holder or its representative may inspect and obtain a sample of the suspended goods and they may well liaise with an expert – appointed by the IPR holder - for these purposes.

There is no simplified procedure for the destruction of goods. Under no circumstance customs can itself destroy the allegedly infringing goods. A court judgment determining the infringement of the IPRs and ordering the destruction of the goods is required.

Both civil and criminal proceedings are available to determine infringement.

Customs officials usually take samples for their own use but those are not strictly preserved due to a legal gap in the related piece of legislation. As the samples taken by any of the parties might well be questioned in the further stages, applicants should also ask the Civil or Criminal Court officials to take samples of the seized products into relevant court files to be preserved for evidence purposes.

The right-holder may choose to file a criminal complaint with a public prosecutor. The prosecutor has total discretion to decide whether or not to file a criminal action. If an action is in fact filed, the criminal court acts *ex officio* without the need to call upon the IPR holder to file documentary evidence or briefs, although in practice an IPR holder is expected to act as an intervener.

The right-holder may also file a civil action.

Even though the preliminary injunction order issued by a civil court is effective, depending on the work load of the courts and the complexity of a particular matter, a request may take up to a couple of weeks to be reviewed and decided. On the other hand, it is relatively easier and faster to obtain a seizure order from a criminal court. Therefore, considering the limited time available to an IPR holder in customs actions, criminal complaints may be a more effective initial route.

In general comparison however a plaintiff has more control over the proceedings in a civil action and in effecting the destruction of the infringing goods.

A nullity action seeking to invalidate the IPRs would not have a direct impact on the customs action as long as the IPR holder has a valid right whilst taking action at customs. In cases where the nullity action is instituted as a counter action against the infringement action, the court has the discretion to treat the nullity action as a dilatory matter.

Customs cannot release the suspected goods on provision of a security to be deposited by the owner, holder or importer of those goods, unless it is permitted by the Court hearing the infringement case.

9) *If goods are found to infringe IP rights, may a right holder oppose*

- *exportation of infringing goods from your country;*
- *infringing goods in transit;*
- *placement of infringing goods in a free trade zone or free trade warehouse?*

According to the Implementing Regulations, the release of the infringing goods that have entered into the Turkish customs territory, goods in free circulation, goods being exported, goods being re-exported goods put in a free zone can be suspended. Therefore, an IPR holder may oppose to exportation of infringing goods, infringing goods in transit or goods in a free trade zone or a free trade warehouse.

Although the issue of infringement of goods in transit and goods in a free trade zone has been controversial for a while in Turkey, the recent Supreme Court case law - in parallel with the Implementing Regulations – established that even such goods will constitute an IPR infringement.

- 10) *If goods are found to infringe IP rights, do the judicial or customs authorities of your country generally order the destruction of the goods or do they have the authority to dispose of the goods outside commercial channels (e.g. to charity)?*

*May the competent authorities also order the infringer to give the names of his accomplices, upstream or downstream in the channels of production and distribution?*

The answer of this question may change depending on whether the civil or criminal route has been selected. If goods are found to infringe IPRs at the end of the civil action and if the plaintiff has chosen destruction as a remedy, the court can order the destruction of the goods provided that the destruction is essential for the prevention of the continuation of infringement. In a civil action, the court does not have an option to order disposal of the goods outside commercial channels such as charity.

On the other hand, in a criminal action, the court may order, besides destruction, the confiscation of the goods at the end of trial. In such case, the proprietorship over the confiscated goods is transferred to Directorate of Public Accounts and Property after the decision becomes final and binding.

As mentioned above, Customs Authorities do not have the power to order destruction of the goods without a court decision.

According to the Decree Laws for the protection of Industrial Designs and Patents, refraining from revealing where and how the infringing product was obtained when found in possession is also considered as an act of infringement. Therefore, a court may order an infringer to give the names of accomplices, upstream or downstream in the channels of production and distribution.

As a result of a recent amendment of the relevant Decree Law regarding trademarks, refraining from providing information about the infringing goods is no longer an offence. In criminal actions however the new amendment suggests that a person selling counterfeit goods shall not be convicted in case that person declares where the goods were obtained and aids in the identification of the producers and the seizure of goods.

- 11) *May judicial or customs authorities order the applicant to pay the owner, holder or importer of goods appropriate compensation for any injury caused by wrongful detention? What is considered appropriate compensation and does it include attorney fees or other expenses?*

Customs is not entitled to ask the applicant to pay a compensation amount even for the wrongful detention. Therefore, the owner, holder or importer of goods can ask for such compensation only before the judicial authorities under the general provisions of the Code of Obligations. The compensation amount is evaluated under the special conditions of each case. The court can order for attorney fees however, the amount does not cover attorney fees effectively incurred. The amount will be calculated based on a tariff issued by the Turkish Bars Association. Likewise, the court can order the official fees and expenses incurred due to the wrongful suspension and during the trial.

## **II) Proposals for adoption of uniform rules**

The Groups are invited to put forward proposals for adoption of uniform rules regarding border measures and other measures of customs intervention against infringers. More specifically, the Groups are invited to answer the following questions:

- 1) *Do you think that the adoption of uniform rules and best practice of customs authorities in the area of border measures and better coordination between countries and at an international level are desirable to improve enforcement?*

The Turkish Group supports the idea of adoption of uniform rules in the area of border measures, which is very closely related with International Trade, and believes that this uniformity will contribute the effective implementation of the TRIPS agreement to which Turkey is a party.

- 2) *What should the scope of border measures be? Do you think that border measures should be available also for goods infringing IP rights for which your national law currently does not provide border measures? If so, which IP rights? Should unfair competition give rise to border measures? Which goods should be excluded by border measures legislation?*

The Turkish Group believes that the scope of border measures should cover all types of IPR's and that theoretically Turkish Law provides adequate measures in this respect. The Turkish Group feels that improvement in practice is necessary.

The Turkish Group also believes that unfair competition should not give rise to border measures, since it would be difficult to provide precise evidence to the customs at the outset of procedure on the administrative level.

The Turkish Group finds the current exclusion of goods namely personal goods in a traveler's private luggage, and gifts brought by passengers and postal consignments of non-commercial nature to be satisfactory.

- 3) *What rules should apply in relation to the lodging and processing of applications for customs action? Should there be a centralised system for managing multiple applications for customs action through a single contact point?*

*Should there be uniform rules on the provision of information by the applicant? What should the required level of evidence for alleged infringement be?*

*Should there be uniform rules on the provision of information by the customs authorities?*

For more effective IPR protection, the Turkish Group believes that there should be a centralized system for managing multiple applications for customs action through a single point, as such a system would minimize the effort, time and resources currently spent for filing, re-filing and following up of individual applications before each customs office.

A centralized system would also contribute to uniformity and eliminate different practices in handling individual applications before customs offices.

A database would be useful a tool in reaching the IPR holders in ex-officio suspension proceedings, since, presently, the lack of such data causes delays and failures in the notifications reaching the accurate and intended recipients.

The Turkish Group also believes that the current monitoring term of 30 days is too short and suggests that a longer period should be adopted.

The Turkish Group supports the notion of uniform rules in filing an application before the customs however; such rules should basically include evidencing of the related IPR and describing the infringed product, but should not prevent the IPR holder to provide additional and detailed information and evidence, if necessary.

The Turkish Group also believes that there should be uniformity in the provision of information by customs and that such information should at least include the name of the consignor, the importer, and pictures, amount/number of the suspended goods.

- 4) *What rules should apply in relation to the procedure following notification?*

*Should there be a simplified procedure allowing the destruction of the goods without there being any need to determine whether IP rights have been infringed?*

*Should there be uniform rules on the examination of the goods by the right holder, security and compensation in the case of wrongful detention of goods and disposal of infringing goods?*

The Turkish Group considers that uniformity in the procedure may be difficult in those jurisdictions where the judicial system has to be involved.

Nevertheless, the Turkish Group believes that before destruction of goods it should be determined by the competent courts whether IPRs have been infringed or not, since the issue of infringement requires a judicial decision sometimes assisted by technical experts where necessary. The Group is against giving the customs an administrative power to destroy the goods after a quick and simplified procedure, since such a procedure may result in irreparable consequences.

The Turkish Group believes that there should not be uniform rules on the examination of the goods as well as on the issues of security and compensation due to the specific nature of each infringement.

*National Groups are invited to comment on any additional issue concerning border measures and other measures of customs intervention which they find relevant.*

The Turkish Group has no further opinions than those expressed above.

### **Summary**

The Turkish Group

- a) believes that Turkey has enacted the necessary laws and regulations for effective enforcement of border measures, however there is room for improvement in practice;
- b) thinks that more cooperation and coordination between customs offices and other administrative offices is necessary for effective communication of information about IPR ownership and notification of detention decisions;
- c) supports education of the customs officials and incentive programs for effective enforcement;
- d) supports uniformity on customs applications and a centralized system that would help IPR owners allocate their time and resources more effectively.
- e) Supports the international cooperation of Customs especially where the infringement concerns the public health.

### **Résumé**

Le groupe Turc

- a) Pense que la Turquie a édicté les lois et les règlements nécessaires pour la mise en œuvre effective des mesures douanières, cependant il y a des défauts d'application en pratique;
- b) Pense que plus de coopération et de coordination entre les douanes et l'Institut Turc de Brevet pour une notification effective des décisions de suspension est nécessaire;
- c) Supporte l'éducation des douaniers et des programmes intensifs pour une application effective;
- d) Supporte l'uniformité des demandes/requêtes auprès des douanes et un système centralisé à l'aide des titulaires de IPR pour accorder leur temps et ressources plus efficacement;



- e) Supporte la coopération internationale entre les douanes, spécialement lorsque l'atteinte concerne la santé publique.

### **Zusammenfassung**

Die Türkische Gruppe

- a) ist der Meinung, dass in der Türkei die erforderlichen Gesetze und Verordnungen für effektive Durchsetzung der Grenzbeschlagnahme in Kraft gesetzt worden sind, aber dennoch die Praxis verbessert werden könnte;
- b) denkt, dass mehr Kooperation und Koordination zwischen Zollbehörden und andere Verwaltungsbehörden erforderlich ist, um effektive Mitteilung von IPR Eigentumsrecht Information und Beschlagnahmungsentscheidungen zu gewährleisten;
- c) befürwortet die Ausbildung der Zollbeamten und Leistungsprogramme für eine erfolgreiche Durchsetzung;
- d) befürwortet Einheitlichkeit bei den Zollanträgen und ein zentralisiertes System, welches dem IPR- Rechthaber helfen würde ihre Zeit und Ressourcen wirksamer einsetzen zu können;
- e) befürwortet die internationale Kooperation der Zollbehörden, insbesondere wo die Rechtsverletzung die öffentliche Gesundheit betrifft.