



**REJOINDER, COUNTER RESPONSES
AND EXPERT REPORT PETITION
of
PLAINTIFF JULIAN HAKES**

Klaudia BŁACH-MORYSIŃSKA
Advocate
Trademark and Patent Attorney

Nihan GUNELI, LL.M.
Attorney at Law
Trademark Attorney



GENERAL INFORMATION ON THE DISPUTE

Our Client Plaintiff Julian Hakes who is a world-renowned architect and shoe designer that owns the trademarks Reg. No. 2012/001907, 2012/1908 and 2012/001909 covering the goods “Shoes” in class 25 before the Turkish Patent and Trademark Office, filed a lawsuit against the Defendants after sending a cease and desist letter.



GENERAL INFORMATION ON THE DISPUTE

Defendants argue presented in counter action petition are pointless because:

- we have never received the response to cease and desist letter and such document has not been filed to the court documents
- Sumolov's design registration numbered 2016/915500 is invalid due to lack of novelty and lack of individual character;
- Offering the infringed goods since 2017 in various Asian and European countries including Turkey, United Kingdom and Mongolia along with the U.S.A can not cure the infringement but confirms the scale of the infringement and plaintiff will examine the case of further infringement and will consider filing claims in relevant jurisdictions
- This proceeding is the only proceeding between the parties, there is no decision of any court re: the subject of this proceeding.



RESPONSES OF THE PLAINTIFF

Invalidation Claims

According to IPL Article 4:

“Trademarks may consist of any signs like words, including personal names, figures, colours, 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.”



RESPONSES OF THE PLAINTIFF

Invalidation Claims

Trademarks are expected to have a distinctive character if they have the function of pointing to the source of the product as a whole with all the elements they contain.

A figurative sign consisting of a product shape will also increase the distinctiveness of the product as it diverges from other products in the relevant market and acquires a unique quality outside the standard product form.

As mentioned earlier, the distinctiveness of the shapes that are significantly distanced from the usual shapes due to widespread use in the sector are stronger.



RESPONSES OF THE PLAINTIFF

Invalidation Claims – 3D Designs

The Defendant Sumolov, stated in their petition that “*three-dimensional figures can be registered as trademarks, but for a three-dimensional figure describing shape of a product itself to be considered distinctive, it should be different from ordinary goods in respect of the identical or similar products, and be original.*”

Our Client’s designs certainly provides both the requirements that are stated in the Article 5 of IPL and the Defendant’s petition, therefore they are undoubtedly rightfully registered as trademark.

RESPONSES OF THE PLAINTIFF

Invalidation Claims – Renown Trademarks

- **In addition to being distinctive as trademark, our Client’s registered trademarks are famous all over the world, as well-known trademarks are defined as “trademarks that are recognized by the relevant sector of society”.**
- According to the 11th Civil Chamber of the Supreme Court’s “Uni” decision numbered 2005/14028 E. and 2007/15223 K., “in order to be able to speak of well-known brands, a service or trademark must be recognized in the relevant sector of the society.” The Court defined “the relevant sector” as *“actual and potential buyers, people in the business environment, and people in the distribution channels and sellers of which the products and services will be served in Turkey”*. As a result, when the brand's reputation is being assessed, awareness in the community-related section must be taken into account, as noted in the relevant court decisions.

RESPONSES OF THE PLAINTIFF

Invalidation Claims – Renown Trademarks

As the honourable court provided with the evidences that we presented to the case, the renown character of the trademarks is explicit.

Shoes Designer Award that our Client received in 2012, magazine covers, articles and sale of shoes all over the world as well as the survey presented **showing the famousness of the trademarks** all proving the well-known nature of the trademarks of our Client.

RESPONSES OF THE PLAINTIFF

Invalidation Claims – 3D trade mark

EU perspective

- the criteria for assessing the distinctive character of 3D trade marks consisting of the appearance of the product itself are no different from those to be applied to other categories of trade marks” (C-144/06 P, para. 36) in particular, **there is no reason to apply stricter standards.**
- trade marks that **significantly deviate from the norm** or from what is common in the sector involved, and therefore have an essential function in indicating the origin, **are distinctive** (C-144/06 P, para. 37).

RESPONSES OF THE PLAINTIFF

Invalidation Claims – 3D Trademarks

EU Perspective

- the overall impression given by the Mojito trade mark is the fantasy shape which deviate from the norm and is not common for the shoe market.
- the Mojito shoes are luxury good and fashion icon so the consumer put attention before purchase and recognizes the trade mark.
- the fantasy shape is an indication of the commercial origin of a product since it does not refer to the basic colours and forms of shoes.
- the Mojito trade mark enables the average consumer, who is reasonably well informed and reasonably observant and circumspect, to distinguish the product concerned from those of other undertakings

RESPONSES OF THE PLAINTIFF

Invalidation Claims – renown trade mark

EU Perspective

- If the reputation of an earlier trade mark is established in a substantial part of the territory of the EU, which may, in some circumstances, coincide with the territory of a single Member State, which does not have to be the State in which the application for the later national mark was filed, it must be held that that mark has a reputation in the EU.
- If the earlier trade mark has already acquired a reputation in a substantial part of the territory of the EU, but not with the relevant public in the Member State in which registration of the later national mark concerned by the opposition has been applied for, the proprietor of the trade mark may benefit from the protection of renown trade mark where it is shown that a **commercially significant part of that public is familiar** with that mark, **makes a connection** between it and the later national mark, and that there is, taking account of all the relevant factors in the case, either actual and present **injury** to its mark, for the purposes of that provision or, failing that, a **serious risk** that such injury may occur in the future.



RESPONSES OF THE PLAINTIFF

“Non-use” Claims

- The Defendant argued that our Client’s trademarks that are provided as grounds for infringement claims, have not been put to intensive and genuine use for the goods in class 25, and without interruption since the registration date of February 1, 2013.
- First of all, pursuant to the evidence submitted to Court with our petition, famousness of our Client’s renown trademarks are approximately by 75% in 25 countries including Turkey.
- Trademarks are covered by many magazines, blogs and vlogs that are also being followed by Turkish MOJITO fans.
- Our Client’s shoes are being sold via international e-commerce websites to Turkish customers.
- Therefore the Defendant’s claims stating that the trademarks have not been put to “genuine and intensive use” is unsubstantial, hence should not be regarded.

RESPONSES OF THE PLAINTIFF

“Non-use” Claims

- Furthermore, “non-use” claims arising from the abolished Article 14 of the Decree No. 556 on the Protection of Trademarks as well as the Article 25 of Industrial Property law.
- On December 14, 2016, the Turkish Constitutional Court cancelled Article 14 of the Decree No. 556 on the Protection of Trademarks that enables a court action for the cancellation of a registered trademark based on non-use if the trademark has not been in use for 5 years as of the date of registration.
- With the annulment of Article 14, Article 25 of IPL addresses the same issue and enables the cancellation of unused trademarks. According to the Article, if, within a non-use grace 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 goods or services in respect of which it is registered, the trademark shall be revoked, unless there are proper reasons for non-use.

RESPONSES OF THE PLAINTIFF

“Non-use” Claims

- The annulment decision on Article 14 of the Decree No. 556 on the Protection of Trademarks was published on the Official Gazette on **January 6, 2017** and entered into force upon publication.
- On **January 10, 2017** Industrial Property Law entered into force.
- By reason of the loophole that the 4-day period between regulations caused, the first instance and appellate courts dismiss the ongoing non-use trademark cancellation actions that were filed under the Decree, **due to lacking legal grounds.**
- Consequently, non-use cancellation claims filed after January 10, 2017 are examined in line with the provisions of the Industrial Property Law.
- Since there weren't a provision regarding non-use before IPL, a non-use cancellation action can only be filed five years after the enactment of the new Law. According to IPL, the trademark owner's duty to use the trademark is only become effective and applicable as of 10 January 2017.



RESPONSES OF THE PLANTIFF

“Non-use” Claims

- In the light of such information, it is clear that the “non-use” claim on our Client’s trademarks are:
 - **Lack of foundation, whereas the trademarks are well-known and they are being genuinely, intensively and uninterruptedly used in Turkey.**
 - **May not be asserted, whereas the trademark owner’s duty to use the trademark is only become effective and applicable as of 10 January 2017.**
 - **Therefore such claims should be dismissed.**

RESPONSES OF THE PLANTIFF

“Absence of Hostality” Claims of Muharrem Kabaran

The other Defendant Muharrem Kabaran, alleged that;

- he solely acts as the “hosting provider”, and
- he immediately deleted photos of the product after receiving the cease and desist letter;
- he may not be hold responsible legally, therefore the claims against him must be dismissed due to absence of hostility.

Those arguments are conclusory, therefore should be dismissed.

RESPONSES OF THE PLAINTIFF

“Absence of Hostality” Claims of Muharrem Kabaran

- First of all, our Client send a **cease and desist letter** from the notary to both Defendants to cease the sales on 7 March 2018, however, **both parties continue selling the shoes.**
- In 2016, the Court of Justice of the European Union (CJEU) in *Tommy Hilfiger Licensing and Others*, C-494/15, EU:C:2016:528, found that there was no distinction to be made between an online marketplace and a brick and mortar marketplace; therefore brick and mortar landlords may be equally liable as online intermediaries in providing a service used for infringement. The Court also noted that the conditions for an injunction against a brick and mortar landlord are identical to those in *L’Oreal*, being that the injunction is “effective and dissuasive”.

RESPONSES OF THE PLANTIFF

“Absence of Hostality” Claims of Muharrem Kabaran

- Doubtlessly, the Defendant Muharrem Kabaran, was aware that the shoes being sold in his website are infringing; if not from the beginning, as of the **cease and desist letter**.
- It is clear that the Defendant Muharrem Kabaran holds joint liability, and is responsible for the infringement of our Client’s intellectual and industrial property rights.
- Therefore, his claims on absence of hostility should be dismissed.



PLAINTIFF'S FURTHER CLAIMS REGARDING DESIGN LAW

General Characteristic of Designs

Our Client's shoe design that is identical to the Defendant's design registration is available for the public and being sold worldwide since 2012. Therefore the Defendant's design lacks the requirements stated in the law of being new and having an individual character.

Consequently, since the design of the Defendant is failing to meet the conditions specified in Article 56, **the decision related to invalidity of the design shall be given by the court without further examination.**

CLAIMS REGARDING DESIGN LAW

General Characteristic of Designs – EU LAW

We uphold the arguments regarding lack of:

- novelty and
- individual character
- The defendant's shoes are a clear copy of the plaintiff's trademark and copyright work.
- unlimited freedom when designing shoes.

CLAIMS REGARDING DESIGN LAW

General Characteristic of Designs – EU LAW

- Design shall be declared invalid if a distinctive sign (including trade mark) is used in a subsequent design, and the law of the Union or the law of the Member State governing that sign confers on the holder of the sign the right to prohibit such use (Article 25(1)(e) CDR).
- It is enough that the design and the earlier distinctive sign be similar (judgments of 12/05/2010, T-148/08, Instruments for writing; 25/04/2013, T-55/12, Cleaning device; decision of 09/08/11, R 1838/2010-3, Instruments for writing).
- A design shall be declared invalid if it constitutes an unauthorised use of a work protected under the copyright law of a Member State (Article 25(1)(f) CDR).
- Bearing in mind the identity between Plaintiff's earlier MOJITO trademarks and copyrights work, the Defendant design shall be invalid.



CLAIMS OF PLAINTIFF

Preliminary Injunction

- As explained earlier, provisional legal protection is the legal protection to protect the plaintiff, the defendant, and the case against malicious acts from the danger that may arise **during the period until the finalization of the dispute.**
- Precautionary measures are legal protections that can be applied in cases **in order to guarantee the outcome of the case**, where there is a risk of delay.
- According to Article 159 of IPL, persons **who have the right to institute a legal proceeding may request the court to order an interlocutory injunction to ensure the effectiveness of judgment to be delivered,** and interlocutory injunctions should especially cover to prevent and stop the actions, which constitute infringement of plaintiff's industrial property right.



CLAIMS OF PLAINTIFF

Preliminary Injunction

Furthermore, it is clear that persons whose rights have been violated shall contact with the content provider, and should the violation continue may request suspension of the content according to Additional Article 4 of LIAW.

As included in our petition, we sent a cease and desist letter to cease the sales on 7 March 2018. However, **none of the parties fulfil their obligation arising from the law, and they continue selling infringing shoes in the e-commerce site www.gugulov.com.tr.**

As stated before, the **IP infringement has a special character and once damage is done it is impossible or almost impossible to turn back the previous state.** As a matter of that in IP cases this kind of interim injunction shall be accepted.



CLAIMS OF PLAINTIFF

Preliminary Injunction

As a matter of fact, the 11th Civil Chamber of the Supreme Court's decision numbered 2013/11855 E. and 2014/1986 K., states that Civil Courts of Intellectual and Industrial Property Rights may decide on banning access to websites should requirements stated in the regulation met. In fact, the Supreme Court's decision on the subject is established case-law and is being implemented consistently.

Doubtlessly, accepting otherwise would not only be interpreting the regulation inaccurately but also it would stand in stark conflict with the principle of “procedural economy”.

Within this context, to prevent the possible further infringement, i.e. cease of sales in this case is the most important and therefore not only the shoes but also all work that infringes the copyrights of our Client shall be removed and deleted from the website.

CLAIMS OF PLAINTIFF

Expert Report

In the report prepared by court experts;

- (i)** it is explained that design of the Plaintiff Julian Hakes bears the characteristic of its author and has artistic work value according to Law on Intellectual and Artistic Works (LIAW);
- (ii)** the shoe design in dispute had been put up for sale by the Defendant SUMOLOV on March 2017;
- (iii)** the Defendant sold 120.000 pairs of shoes by the filing date of the lawsuit according to records in his commercial books;
- (iv)** resale price of the shoes is TRY 80;
- (v)** net income that the defendant has made out of these sales is TRY 2.000.000 when manufacturing costs and selling expenses are excluded;
- (vi)** annual licence fee would have been TRY 500.000 if the Defendant had entered into an agreement with the Plaintiff;
- (vii)** shoes produced and sold by the defendant are made of cheap and carcinogenic materials;
- (viii)** shoes in dispute had been sold on the website www.gugulov.com.tr which belongs to the defendant Muhterem KABARAN until 10 March 2018, these designs have not been sold on the website after until 10 March 2018 and the store belonging to Ussain SOMOLOV has been removed from this e-commerce website.

CLAIMS OF PLAINTIFF

Expert Report



It is clear that the experts report set the record straight on our Client's claims regarding LIAW as well as IPL.

Even though we strongly agree the abovementioned conclusion of the experts, we have one opposition on their final statement on our client's shoe sales.

Albeit the experts stated that the Plaintiff does not have any sales of shoes under these trademarks in Turkey, this statement simply does not reflect the fact.

In fact, as we stated earlier, pursuant to the evidence submitted to Court with our petition, famousness of our Client's renown trademarks are approximately by 75% in 25 countries including Turkey; trademarks are covered by many magazines, blogs and vlogs that are also being followed by Turkish MOJITO fans, and our Client's shoes are being sold via international e-commerce websites to Turkish customers. Therefore not only our Client's shoes are being sold to Turkish customers, but also our Client's trademarks are renown.

Consequently, solely the experts' final statement on our client's shoe sales should be disregarded.

FINAL CLAIMS



We reiterate our previous claims;

In the light of information and evidence presented to the Court, and regarding the law, the Plaintiff requests and seeks for:

- (i)** Collection of shoes bearing the trademark SUMOLOV;
- (ii)** In compliance with Articles 29, 149, 150/2 and 151/2-a of IPL;
 - Collection of material damages of TRY 1.000.000,
 - Immaterial damages of TRY 100.000 and nominal damages of TRY 100.000,
- (iii)** Copyright damages of TRY 1.500.000 and immaterial damages of TRY 100.000 due to violation of material and immaterial rights arising from authorship calculated in accordance with Article 68 of LIAW from severally responsible defendants;
- (iv)** Increase of damages by 20% in accordance with Article 151/4 of IPL since client's trademark and award-winning design is the determining factor in defendant's sales;
- (v)** Nominal damages of TRY 100.000 since the shoes that the defendant sells are manufactured of poor-quality and unhealthy materials;
- (vi)** Prohibition and prevention of infringements.

In addition to above-mentioned requests, the Plaintiff requests and seeks for:

- (vii)** Cease of sales on the e-commerce site www.gugulov.com.tr and prohibition of access to said e-commerce site from Turkey, and
- (viii)** Invalidity of registered design of the defendant due to bad faith and lack of novelty and distinctiveness.