

Remarkable Turkish Appeal Decision: Cilpara v Chip-Para

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One of the decisions recently rendered in a Turkish appeal is particularly noteworthy for its assessment of the likelihood of confusion and the unexpected outcome in its final part. In Turkey (officially Türkiye), and the mark relied upon as the basis of the action is ‘Chip-para’, a reward points system offered to credit card users. The mark challenged in the proceedings is ‘Cilpara’, which was sought to be registered for goods and services in classes 9, 35, and 36 of the Nice Classification, including magnetic and optical reader cards and financial and monetary services.

While both trademarks incorporate the term ‘para’, meaning ‘money’ in English, the term ‘Cilpara’ as a whole has no specific meaning in Turkish or English and is pronounced as written in Turkish (*/dʒil'para/*). By contrast, the initial element of the trademark ‘Chip-para’ is pronounced with the letter ‘ç’ as ‘çip-para’ (*/tʃɪp pa:ra/*).

The dispute centres on whether there is similarity and a likelihood of confusion between the trademarks ‘Chip-para’ and ‘Cilpara’, the representations of which are shown below.

<p style="text-align: center;">cilpara</p>	
<p style="text-align: center;">The subject trademark in the dispute</p>	<p style="text-align: center;">The trademarks relied upon</p>

Office decision and first-instance judgment

The position of the Turkish Patent and Trademark Office (the Office) was clear at both the opposition to publication stage and the re-examination: there was no similarity between the marks and no likelihood of confusion.

When the cancellation action, together with a request for invalidation, was filed by the owner of the ‘Chip-para’ mark, the Office, as one of the defendants, emphasised the phonetic differences between the initial parts of the disputed trademarks and further noted the low distinctiveness of the term ‘para’ included in both trademarks, and referred to the principle that trademarks with weak distinctiveness are afforded only narrow protection. Accordingly, it stated that such marks cannot be granted the same level of protection as trademarks possessing a high degree of distinctiveness and that, even though some of the goods and services covered by the subject trademark are identical or similar to those covered by the earlier trademarks, no likelihood of confusion would arise between the disputed trademarks.

The other defendant – namely, the owner of the subject trademark in the dispute – did not submit a response to the action.

As a result of the trial, the court of first instance initially identified the same/similar goods and services within the scope of the disputed trademarks. In comparing the distinctive elements of the parties' marks ('Cil' and 'Chip'), the court – contrary to the defences raised by the Office – held that the common use of the term 'para' may give rise, in the perception of the relevant consumers, to an impression that the signs relate to monetary goods or services and are commercially connected or constitute successive extensions.

Accordingly, the court concluded that the trademarks exhibit an overall degree of similarity, allowing them to be associated with one another, and partially upheld the action, ordering the cancellation of the Office's decision and the invalidation of the subject trademark for the identical and/or similar goods and services.

Appeal proceedings

The plaintiff lodged an appeal against the court's decision, requesting that the action be upheld in its entirety, while the Office likewise appealed the decision, seeking its reversal and the full dismissal of the action. The other defendant, however, did not appeal the decision.

In the appeal examination, the court, departing from the approach adopted by the court of first instance, focused on the phonetic differences between the marks. The court emphasised that the mark at issue is pronounced as 'cilpara' as written, whereas the plaintiff's marks are pronounced as 'çip-para', thereby highlighting that the beginnings and endings of the distinctive parts differ.

The court further stated that, as also noted by the Office, the common element 'para', having a low degree of distinctiveness, is insufficient in itself to render the marks similar. Consequently, the court reversed the decision of the court of first instance and ordered the dismissal of the action filed for the cancellation of the Office's decision, while the ruling partially invalidating the subject trademark remained in effect as this part of the decision was not challenged by the other defendant, the owner of the disputed trademark.

In the dispute in which the court and the Office share the same opinion, attention has now turned to the Court of Cassation. However, since the case was not pursued by the trademark owner and no appeal was filed, even if the appeal decision finding no likelihood of confusion between the disputed trademarks becomes final, the subject trademark would be partially declared invalid.

Key takeaway for trademark owners

This situation highlights the importance of trademark owners' active participation, at least through their initial defences and during the appeal processes, in cases in which they appear as defendants.

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