

Case Study: Two-Pronged Defence Counters Patent Granted without Substantive Examination

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The former patent legislation, i.e. the Decree Law on Protection of Patents numbered 551, set forth two systems for registering patents - with or without substantive examination. This legislation was in effect until early 2017. Patents granted without substantive examination could be the basis of a patent infringement action in the same way as other patents.

In this case, an infringement action was filed based on a patent without substantive examination. But, instead of filing a counter or separate action, which could be slow and costly, the client was able to successfully overcome the infringement action by building a strong and two-pronged defence before the court and the Turkish Patent and Trademark Office ("TPTO").

Background: Infringement action over patent for camera-equipped TV

In early 2012, a client, which is a global technology company, received a cease and desist letter based on a patent granted without substantive examination. The letter requested the seizure of all of the client's smart televisions that include a video call system. The dispute then accelerated to an infringement action including the request for a preliminary injunction to prevent the sale and production of the client's smart televisions, which could have seriously hindered the client's activities in Turkey, in addition to a compensation claim.

The plaintiff had based its arguments on its patent related to a television equipped with a built-in camera, which was granted without substantive examination. The former patent legislation, i.e. the Decree Law on Protection of Patents numbered 551, allowed such patents. According to the former legislation, once the applicant received notification of the search report, the applicant could choose between two patent registration systems: with or without substantive examination. In cases where the latter was preferred, after third party opinions were filed against the search report, the application could be registered without a further and substantive examination report. These patents generally were not strong enough to pass through the more substantive patentability examinations, and therefore applicants often chose this system.

Since these applications were registered more easily, third parties were entitled to request that they to be transformed into patents with substantive examination. This request could lead to the cancellation of the patent without the need for a legal action, if the patent did not meet the patentability criteria.

After facing such infringement claims that could be detrimental to the client's profitable television sales in Turkey, a multi-layered defence strategy was built. The strongest aspect of the defence was to aggressively attack the counterparty's patent and grasp whether the counterparty's patent was strong enough to pass through the detailed patentability examination. The client's prior art search revealed that the plaintiff's patent was neither new nor involved an inventive step. The prior art search report also concluded that all three of the counterparty's claims fell into category X - non-patentable.

However, the effective law did not allow the defendants to simply argue the non-patentability of the basis patent as a defence. On the contrary, the defendants had to take separate steps to invalidate the patent. Once the case was built against the patentability of the counterparty's patent, the client requested the patent to be transformed into a patent with substantive examination, which was a more cost-effective procedure compared to court actions to invalidate a patent.

Simultaneously, the client argued in the legal action that the counterparty's patent was granted without substantive examination and requested the transformation of the patent. It was argued that, as this request was accepted, the patent was transformed into an application and that, at this point, it was not possible to accept infringement requests based on a mere application. The court must wait for the outcome of the application, as the application may never pass the patentability examination.

At the same time, the registration process before the TPTO was followed up.. Once the transformation of the basis patent granted without substantive examination was requested, it was re-published in the Official Patent Bulletin. At this point third parties can oppose the application on the basis that the application does not meet the patentability criteria. Within the opposition term, the client submitted a strong petition underlining the non-patentability of the patent and its lack of novelty. The TPTO initiated its substantive examination and all examination reports received—three, in this case— confirmed the non-patentability of the counterparty's patent. This meant that the counterparty's patent was denied registration, and the patent registration had never existed.

Once the application was rejected, the court also refused the counterparty's infringement claims without any expert examination, and the case was resolved in favour of the client. Even though the counterparty exhausted all the appeal options, the result remained unchanged.

Analysis: Advantage of combining administrative and legal processes

The client's case was a good example of the advantages of building a strategy combining administrative and legal processes, where possible. In this case, following up the procedures before the TPTO allowed the client to have the counterparty's patent cancelled without long and costly legal procedures.

As of 2017, with the enactment of the new Industrial Property Rights Law numbered 6769, the registration of patents without substantive examination is not allowed. However, patents granted when the prior legislation was in force may continue to be asserted.

In any event, it is important for parties who face infringement claims to deeply study the strength of the plaintiff's patents and take all the steps to cancel the patent, where the conditions are suitable.

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