

NewsLetter

| PATENTS

- 1 Number of Korea's Standard-Essential Patents Ranks Top 5th in the World
- 3 Patent Cooperation Treaty (PCT) Filing Trends in 2015
- 5 Increasing Trend in Patent Applications relating to Head-Up Displays
- 6 Samsung Electronics Strengthens Virtual Reality (VR) Business and Automotive Electronics (AE) Businesses
- 6 Apple & Samsung Display Sign Contract on Flexible OLED
- 7 Samsung Bioepis Sues for Invalidation Trial against AbbVie on Humira Patents
- 9 Generic Drug Makers Unsuccessfully Appeal against Substance Patents

| TRADEMARKS

- 10 LG Electronics and Samsung Electronics Lead In Trademark and Design Applications
- 11 Pfizer Defeats Cancellation Action against its 3D mark

| GENERAL LAW

- 13 The Amendments to the Korean Commercial Code - Implementation of the Corporate Vitality Improvement Special Act
- 15 The National Assembly Passes the Amendments to the Korean Copyright Act

| LEE NEWS

- 16 Lance B. Lee Named as Best International Arbitration and Commercial Litigation Lawyer for South Korea

PATENTS

PATENTS

• Number of Korea's Standard-Essential Patents Ranks Top 5th in the World

A standard-essential patent is a patent that claims an invention that must be used to comply with a technical standard. Standards organizations often require members to disclose and license such patents and pending patent applications. The three world's major standards organizations, the International Organization for Standardization (ISO), the International Electrotechnical Commission (IEC) and the International Telecommunication Union (ITU) announced that the number of accumulated standard-essential patents owned by Korean entities has exceeded that of Germany for the first time to achieve a ranking of fifth in the world.

According to the Korean Intellectual Property Office and the Korea Intellectual Property Strategy Agency, the total number of standard-essential patents announced by the three major standardization organizations increased by 8.9% compared to the previous year from 11,107 cases to 12,099 cases, among which the number of standard-essential patents owned by Korea increased by 62.2% from 482 cases to 782 cases, which is approximately seven times the total

increase rate of the world.

With respect to the ranking of the major countries, the United States maintained its position in the top place, followed by Finland in second place, having surpassed Japan due to the acquisition of Alcatel from France, while France maintained its position in fourth place with a decrease of 322 cases compared to the previous year.

Among all corporate organizations in the world, Nokia of Finland was announced to have obtained the most number of standard-essential patents (2,466 cases). Among Korean entities, Samsung Electronics recorded the third highest place in the world with 360 cases. The Electronics and Telecommunications Research Institute (ETRI) is the only research institute to be included among the world's top 10 organizations with 210 cases (second in Korea), and among small-to-medium enterprises, Humax was ranked in the world's 66th place (fourth in Korea) having obtained 26 standard-essential patents.

By technical field, the coding (3,322 cases) and multimedia communication (2,984 cases) fields have obtained the most number of standard-essential patents. Korea is ranked as the world's No. 1 country in the superconductor connection, scanning probe

PATENTS

microscope and communications security fields, and it is known that only Korea obtains standard-essential patents in the fields of

superconductor connections and scanning probe microscopes.

Status of Each Standardization Organization

Category		ISO	ISO/IEC/ JTC1*	IEC	ITU			Total
					ITU-T	ITU-R	Sub-Total	
Entire World	No. of Cases	580	4,811	763	7,267	678	5,945	12,099
	Increase in Comparison to Previous Year	▲ 12	▲ 711	▲ 47	▲ 216	▲ 6	▲ 222	▲ 992
Korea	No. of Cases	31	524	19	155	53	208	782
	Increase in Comparison to Previous Year	-	▲ 272	-	▲ 27	▲ 1	▲ 28	▲ 300
Increase Rate in Comparison to the Previous Year	No. of Cases	(2.1)	(17.3)	(6.6)	(4.3)	(0.9)	(3.9)	(8.9)
	Increase in Comparison to Previous Year	-	(107.9)	-	(21.1)	(1.9)	(15.6)	(62.2)

*ISO/IEC JTC1: ISO/IEC Joint Technical Committee 1

Status of Each Country (in the past 3 years)

Rank	2013			2014			2015		
	Country	No. of Patents	Share (%)	Country	No. of Patents	Share (%)	Country	No. of Patents	Share (%)
1	USA	2,713	28.5	USA	3,047	27.4	USA	3,101	25.6
2	Japan	1,859	19.5	Japan	1,972	17.8	Japan	2,539	21.0
3	Finland	1,401	14.7	Finland	1,847	16.6	Finland	2,146	17.7
4	France	1,309	13.8	France	1,587	14.3	France	1,265	10.4
5	Germany	474	5.0	Germany	531	4.8	Germany	782	6.4
6	Korea	394	4.1	Korea	482	4.3	Korea	554	4.6
7	Sweden	276	2.9	Sweden	357	3.2	Sweden	359	3.0
8	Netherlands	238	2.5	Netherlands	327	2.9	Netherlands	357	3.0

PATENTS

9	England	189	2.0	England	203	1.8	England	204	1.7
10	China	155	1.6	China	188	1.7	China	193	1.6
Other		512	5.4		566	5.2		599	5.0
Total		9,520	100		11,107	100		12,099	100

• Patent Cooperation Treaty (PCT) Filing Trends in 2015

The number of PCT filings by the United States and major European countries has either remained the same or decreased in 2015 over the previous year. In contrast, the number of filings by major Asian countries including Korea has significantly increased in 2015.

According to the KIPO's analysis of the yearly review of PCT filings presented by the World Intellectual Property Organization (WIPO), roughly 218,000 PCT applications were filed in 2015 representing an increase of 1.7% over 2014. By country, the United States ranked first (57,385 cases) followed by Japan (44,235 cases), China (29,846 cases), Germany (18,072 cases) and Korea (14,626 cases).

While the ranking of the countries in 2015 did not change over 2014, the three major Asian countries including Korea, China and Japan each showed a remarkable increase in PCT filings in 2015 over the previous year. For

example, the PCT filings of the United States decreased by 6.7%, and each of Germany and France (which followed Korea in sixth position in 2014 and 2015) merely recorded minor increases (0.5% and 2.6% respectively) over 2014.

In contrast, China reported annual growth of 16.8% in 2015 over 2014, and Korea also reported double-digit annual growth of 11.5%. Although Japan did not experience the sharp annual growth of these two countries, it showed an annual growth of 4.4%, which is higher than that of Germany.

The share of the three Asian countries represented 37.9% of PCT applications filed in 2013. However, their share has continuously grown over the last two years reaching 40.7% in 2015. The share of Korea increased from 6.1% in 2013 to 6.7% in 2015.

PATENTS

Top 10 countries in terms of PCT filings of 2015

Rank	Country of Origin	Number of PCT Filings	Year-on-Year Rate (%)
1	US	57,385	-6.7
2	Japan	44,235	4.4
3	China	29,846	16.8
4	Germany	18,072	0.5
5	Korea	14,626	11.5
6	France	8,476	2.6
7	Britain	5,313	0.8
8	Netherland	4,357	3.6
9	Switzerland	4,280	4.4
10	Sweden	3,858	-1.4

※ The table above is based on the estimated figures provided by the WIPO. The official figures are scheduled to be reported in June or July, 2016 by the WIPO.

Top 10 Filers in terms of PCT filings of 2015

Rank	Filer's (Applicant's) Name	Country of Origin	Number of PCT Filings
1	HUAWEI TECHNOLOGIES CO., LTD	China	3,898
2	QUALCOMM INCORPORATED	US	2,442
3	ZTE CORPORATION	China	2,155
4	SAMSUNG ELECTRONICS CO., LTD	Korea	1,683
5	MITSUBISHI ELECTRONICS	Japan	1,593
6	ERICSSON	Sweden	1,481
7	LG ELECTRONICS INC.	Korea	1,457
8	SONY CORPORATION	Japan	1,381
9	PHILIPS ELECTRONICS	Netherland	1,378
10	HEWLETT-PACKARD	US	1,310
11	SIEMENS	Germany	1,292
12	INTEL CORPORATION	US	1,250
13	ROBERT BOSCH CORPORATION	Germany	1,247
14	BOE TECHNOLOGY GROUP	China	1,227
15	TOYOTA	Japan	1,214

PATENTS

• Increasing Trend in Patent Applications relating to Head-Up Displays

A head-up display (HUD) is a device for displaying driving information such as velocity and navigation data on the windshield of a vehicle. According to the Korean Intellectual Property Office (KIPO), a total of 504 patent applications relating to HUD were filed from 2006 to 2015. Recently, a new technique has been introduced in which a transparent display is installed onto the windshield of a car and directly displays the driving information from a front camera, GPS and various types of sensors.

By applicant, Hyundai Motor Company has filed the largest number of such patent applications (with 53 applications), followed by Hyundai Autron Co., Ltd. (with 33

applications), LG electronics Co., Ltd. (with 28 applications) and Denso Corp (with 22 applications). By nationality, 60.1% of the 504 applications were filed by Koreans, and 39.9% of the applications were filed by foreigners. Among the applications filed by Koreans, 32.5% of the applications (i.e., 164 applications) were filed by large companies, 16.1% of the applications (i.e., 81 applications) were filed by small-and-medium sized businesses, and 6.2% of the applications (i.e., 31 applications) were filed by individual applicants. By specific field of technologies, 34.1% of the total applications (i.e., 172 applications) are related to the structure and arrangement of HUDs, 26.2% of the applications (i.e., 132 applications) are related to optical technologies, and 14.1 % of the applications (i.e., 71 applications) are related to the technology of driving environment recognition.

※ Below is the ranking of major companies showing the number of patent applications relating to the HUDs

Ranking	Applicant	Number of Applications	Ranking	Applicant	Number of Applications
1	Hyundai Motor Company	53	6	Saint Gobain Glass (FR)	19
2	Hyundai Autron	33	7	SL Co., Ltd.	16
3	LG Electronics	28	8	Google (US)	11
4	Denso (日)	22	9	Johnson Controls (GER)	9
5	Hyundai Mobis	19	10	3M (US)	9

PATENTS

- **Samsung Electronics Strengthens Virtual Reality (VR) Business and Automotive Electronics (AE) Businesses**

1. Creating VR Ecosystem

Samsung Electronics (“Samsung”) has announced that it will focus on VR as its next-generation growth engine as its smartphone sales slow expecting to overcome the crisis of the smartphone business. In 2015, Samsung launched the consumer version of ‘Gear VR’ in partnership with Oculus which was a hit in the market. After becoming a leader in the hardware market, Samsung is now building up a VR ecosystem that will cover both content and platform. Koo Yun-mo, the senior vice president of Samsung’s mobile communications division, stated that a VR ecosystem that connects camera shooting technology, hardware, content, and platform is required to vitalize the VR industry. He also stated that a successful VR ecosystem will be established through extensive partnerships. On February 22, 2016, at the Mobile World Congress (MWC) 2016, Samsung unveiled its VR strategy and new devices. Samsung is increasing its investments in producers of VR content and platform to secure the required content and technology.

2. Launching AE Business with Camera Sensor

Samsung has launched its first AE project with a camera sensor for an automobile. A camera sensor is an essential component for self-driving cars’ advanced driver assistance systems (ADAS). According to industry reports, Samsung’s AE business team, which was set up in December 2015, has completed a three-month study to plan its future business strategy and is developing a camera sensor as its first business project. A camera sensor including a CMOS Image Sensor (CIS), a lens, etc. is an essential component for an autonomous vehicle. Samsung expects that it can develop a highly competitive product by combining the CIS technology of its System LSI (Large Scale Integrated Circuit) division and the camera technology of its digital imaging division. According to an industry source, the AE business team plans to mass-produce a camera sensor in a camera plant in Tianjin, China or in a new plant in Vietnam.

- **Apple & Samsung Display Sign Contract on Flexible OLED**

Samsung Display will supply organic light emitting diodes (OLED) for Apple’s iPhone. Apple will reportedly guarantee Samsung Display’s supply right for three years. This will establish Samsung Display as the

PATENTS

primary supplier of iPhone panels, which will be shifted from low-temperature poly-silicon LCD to flexible OLED.

Samsung Display will make a significant investment to expand its production capabilities, including a plan to shift its 7th-generation LCD production line in Tangjeong, Asan, South Chungcheong Province, Korea to an OLED production line. The industry expects that the investment will lead to Samsung Display's output of 80,000 to 120,000 OLED panels per month.

It is most likely that the supply will start in May 2017 with 13.97 cm (5.0 inch) panels as the main product and anticipated production of some 100 million units. HIS, a marketing survey company, estimated that OLED panels will reach a market share of 36.9% in the display panel market in 2016, increasing to 46.9% in 2018.

Meanwhile, it is anticipated that LG Display, Sharp of Japan, and others that have supplied Apple with LCD panels for iPhones will suffer heavily. On the other hand, Samsung Display will be able to dramatically reduce its excessive dependence on Samsung Electronics for its sales – currently 56% of total sales.

- **Samsung Bioepis Sues for Invalidation Trial against AbbVie Inc., a global biopharmaceutical company, on Humira.**

Samsung Bioepis has brought a suit against AbbVie Inc., a global biopharmaceutical company, in a U.K. court, seeking to invalidate its patent for the rheumatoid arthritis drug Humira.

Humira is the world's top-selling drug, with estimated worldwide sales of \$14 billion in 2015 alone, accounting for about 61% of AbbVie's net revenue. For this reason, AbbVie has employed for years a patent term extension strategy to keep biosimilar rivals from entering the market. The substance patent on Humira is expected to expire in 2018 in the European market. However, AbbVie recently registered medical indications and a treatment method to be included in Humira patent, extending the patent term until 2022. The fact that the target of Samsung Bioepis' first lawsuit is AbbVie implies that Samsung Bioepis will not hesitate to pursue lawsuits against original drug developers. Christopher Hansung Ko, president of Samsung Bioepis, said, "Original drug developers are attempting to thwart latecomers by raising patent walls in the form of extending biosimilar patent terms. We will overcome this challenge by countersuits or any other aggressive means." Further, Samsung Bioepis has completed

PATENTS

Phase III clinical trials for its Humira biosimilar. As Samsung Bioepis is believed superior to rival companies in the development of biosimilars, litigation appears to be an inevitable strategy in order to enter the market ahead of rival companies. According to reports, Samsung Bioepis' confidence in the technical skills it has accumulated in a short period of time, such as obtaining approval for two products in Europe in only four years since its establishment in 2012, is

another reason for the latest lawsuit. Since the original drug patents for four of five biosimilars that Bioepis is currently developing are valid in the United States or Europe, it would be difficult for Bioepis to enter the markets unless these patents are invalidated. Accordingly, as a developer of biosimilars, Samsung Bioepis has no choice but to actively sue for invalidation of the patents.

When Main Antibody Product Patents Expire

[Unit:0.1 billion US dollar]

Product	Developer	Sales 2014	Expiration of Patent	Domestic Biosimilar Developer
Humira	AbbVie	129	2016 in US 2018 in Europe	Samsung Bioepis LG Life Sciences
Enbrel	Pfizer Amgen	89	2029 in US Expired in Europe	Samsung Bioepis, Celltrion LG Life Sciences
Remicade	J&J MSD	88	2018 in US Expired in Europe	Celltrion, Samsung Bioepis
Lantus	Sanofi	84	Expired	Samsung Bioepis
Herceptin	Roche	69	2019 in US Expired in Europe	Celltrion, Samsung Bioepis

Industry professionals have noted that if biosimilars are launched after the expiration of the original drug's patent term, disputes between original drug developers and biosimilar developers will be unavoidable, because the price of biosimilars will be a mere 50-70% of the price for the brand

name drug. Also, another factor is that various governments' concern to encourage preferential treatment for biosimilars in order to stabilize the financing of their national health insurance may affect the lawsuits to some extent.

The Korean government has announced this

PATENTS

year its plan to commercialize drugs that show substantial promise for the future, and to boost support for overseas expansion.

On April 26, 2016, the National Institute of Food and Drug Safety Evaluation of the Ministry of Food and Drug Safety (MFDS) said, “In order to promote the biotechnology industry, the government will prepare guidelines for approval and review procedures for biomedical products by July. In particular, the government will concentrate on regularization of a complementary review conference within a maximum of 80 days and an approval-related conference within a maximum of 100 days, a total of two sessions. A plan for linking governmental review by concurrently conducting an approval for cell therapy products, for which the MFDS is responsible, and an assessment of new medical service technology, which is under the jurisdiction of the Ministry of Health and Welfare, will be released in December, 2016.”

• Generic Drug Makers Unsuccessfully Appeal against Substance Patents

Korean pharmaceutical companies have lost a series of trials seeking a declaratory judgment of non-infringement of the substance patents for Ezetrol (of which the substance name is ezetimibe), Forxiga (of which the substance name is dapagliflozin),

Pradaxa (of which the substance name is dabigatran etexilate), and a crystalline form of Suglat (of which the substance name is ipragliflozin), but all these challenges failed.

On April 22 in the confirmation-of-scope trial filed to seek a declaratory judgment of non-infringement of the substance patent of Ezetrol, the hyperlipidemia drug of Merck Sharp & Dohme (MSD) of Australia, the Intellectual Property Trial and Appeal Board of Korea dismissed the requests of Daewong Pharmaceutical, Handok and Alvogen Korea,

The substance patent of Ezetrol was scheduled to expire on April 29. Nevertheless, these three companies released their generic drugs on April 1 and requested the confirmation-of-scope trial. In response, MSD filed for an injunction banning the sale of the generics. The Seoul Central District Court dismissed MSD’s request for a preliminary injunction on April 26. However, the decision was only three days before the expiration date and the injunction would have little effect anyway.

Fifteen Korean plaintiffs brought invalidation suits against the registration of substance patent term extension of Forxiga, a new SGLT2 diabetes drug developed by Bristol-Myers Squibb in partnership with AstraZeneca. All were dismissed. The plaintiffs were Korea United Pharm, Sinil Pharm, Samjin

TRADEMARKS

Pharm, Dong-A ST, Kyungdong Pharm, JW Pharmaceutical, Dongwha Pharm, Chong Kun Dang Pharm, Korea Biochem Pharm, Daewon Pharm, Jeil Pharm, Sam Chun Dang Pharm, Ildong Pharmaceutical, Kukje Pharma and Han Wha Pharm.

In the invalidation trials against the registration of substance patent term extension of Pradaxa, a new anticoagulation drug developed by the pharmaceutical company Boehringer Ingelheim, eight companies lost including Daewon Pharm, Eden Pharma, Samjin Pharm, Samil Pharm, Chong Kun Dang Pharm, Huons, Nexpharm Korea, and Dong-A ST.

In the invalidation trials against the registration of patent term extension of the crystalline form patent of Suglat, Hanmi Pharm, Huons, Sam Chun Dang Pharm, Samil Pharm, Intro Pharm Tech and Navi Pharm lost.

The patent of Ezetrol expired on April 29. Thus, single-drug products and combinations comprising ezetimibe can be marketed from April 30. However, the substance patent of Pradaxa will expire in 2021, and that of Forxiga will expire in 2023. The substance patent of Suglat will expire in 2025, and its crystalline form patent will expire in 2027. Thus, with respect to Pradaxa, Forxiga and Suglat, much more time will be required

before the generic drug makers can sell their generics.

TRADEMARKS

• LG Electronics and Samsung Electronics Lead In Trademark and Design Applications

The Korean Intellectual Property Office (KIPO) has announced the top 10 companies that filed the largest number of applications to register trademarks and designs. LG Electronics and Samsung Electronic each ranked at the top in the number of trademark applications and design applications, respectively in 2015.

LG Electronics filed the largest number of trademark applications, with 2,665 applications in 2015, followed by LG Household & Health Care and AmorePacific .

Among medium-sized companies, Kakao filed the most, with 462 trademark applications, followed by Forward Ventures and Pulmuone. Among small-sized companies, Yellomobile, which is well-known for its mobile service ‘Coocha,’ ranked at the top with 758 trademark applications, followed by Star Vision and GS Holdings. Among foreign companies, Apple was first with 130

TRADEMARKS

trademark applications, followed by Pie Face Holdings, Huawei Technologies and Johnson & Johnson.

Among large companies, communications companies, such as LG Electronics and Samsung Electronics, and cosmetics companies such as AmorePacific and The Face Shop, showed strong activity. Among small-and-medium sized companies, mobile-service companies such as KAKAO and Yellomobile, and cosmetics companies such as SKIN FOOD and ATOMY, showed strength. These results indicate that companies intensified R&D efforts of new products and marketing activities in the field of smartphones and cosmetics in order to reflect last year's demand for such goods and related services.

Regarding design applications, Samsung Electronics filed the largest number of 1,230 design applications, followed by LG Electronics and CJ CheilJedang.

Among medium-sized companies, Coway ranked top by filing 73 design applications, followed by SSangYong Motor and Dayou Winia followed. Among small-sized companies, Jstyle Korea ranked top by filing 304 design applications, followed by Line Textile and Dae An Textile. Among foreign companies, Nike ranked top by filing 248


design applications, and Apple and Microsoft respectively ranked second and third.

Among large companies, communications companies, such as Samsung Electronics and LG Electronics, and automobile companies, such as Hyundai Motor and Kia Motors, showed strength. Among medium-sized companies, household appliances companies, such as Coway and Dayou Winia, showed strength, and in the group of small-sized companies, fashion companies, such as Jstyle Korea and Line Textile, showed strength. These results indicate that the large and medium-sized companies have developed new designs focusing on electronic devices such as televisions and smartphones along with household appliances such as water purifiers and air conditioners, whereas, the small-sized companies have developed new designs focusing on clothing and jewels.


Kyu-Wan CHOI, a director of the KIPO's examination department, said, "We will regularly try to identify application trends of companies taking the lead in trademark and design applications, and also strengthen our communications with companies through regular meetings in the field."

- **Pfizer Defeats Cancellation Action against its 3D mark**


GENERAL LAW

The Korean Patent Court issued a decision in favor of Pfizer in an appeal of the Intellectual Property Tribunal (IPT) decision cancelling Pfizer's registered three-dimensional mark "" (the "registered mark") on the basis of non-use in Korea.


Hanmi initially filed a cancellation action against the registered mark with the IPT on the basis that the registered mark had not been used as registered on, or in connection with, the goods associated therewith during the three years immediately preceding September 30, 2013, the date on which the cancellation action was filed.

In the initial decision, the IPT held that the registered mark should be cancelled on the basis that the marks  used by Pfizer were not a legitimate and actual use of the registered mark because these marks contain its name "Pfizer" and the letters "VGR" engraved thereon.

The Korean Patent Court reversed the IPT decision on the following basis:

1. The word components "Pfizer" and "VGR" of the used marks  are in standard font type, and no color or device element is incorporated therein. The word components do not create a strong impression to the extent that the Korean

general public would not pay attention to the three-dimensional diamond shape of the registered mark. In addition, the word components are not inseparably combined with the diamond shape, and the combination of them does not create any new meaning.

2. Given that the used marks  can be logically separated into their individual components, i.e., the word components and the device component of the diamond shape, and can be perceived by the Korean general public by either component, it should be determined that the diamond shape has been used (independently from the word components) on or in connection with the goods associated with the registered mark. Accordingly, it cannot be reasonably concluded that Pfizer registered the registered mark without any intent to use, or that Pfizer unduly exercised its rights in order to exclusively use the registered mark.

Hanmi did not file an appeal of the Patent Court decision. As a result, the Patent Court decision has become final and irreversible, and Pfizer can maintain the registration of the registered mark.

LEE NEWS

GENERAL LAW

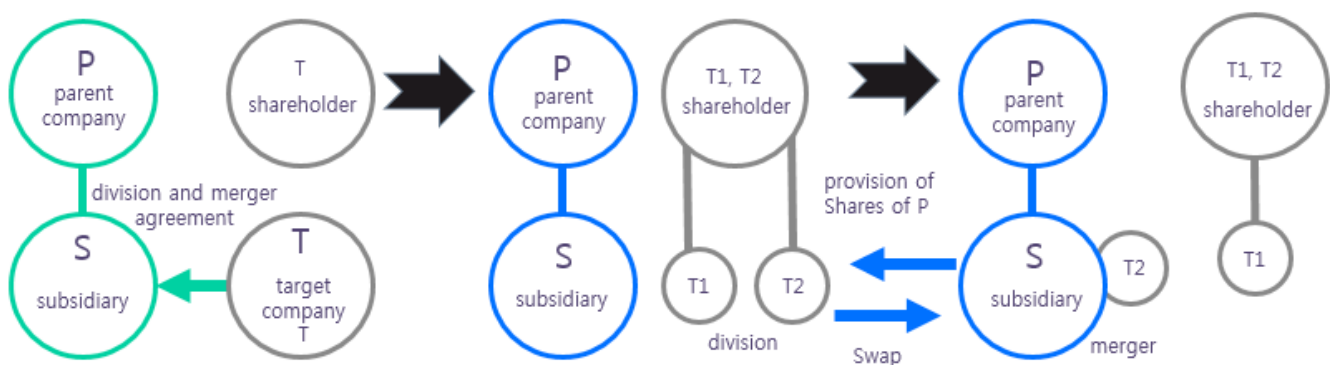
• New Flexibility for Corporate Reorganizations: Amended Commercial Act and Special Act for Enhancing Corporate Vitality

Amendments to the Commercial Act, Korea’s basic corporate law, came into force as of March 2, 2016 with the goal of revitalizing and facilitating corporate mergers and acquisition (M&A). The amendments to the Commercial Act are focused on 1) diversifying the available methods for carrying out M&A by permitting triangular share swaps and triangular divisions and mergers; 2) simplifying the process of M&A by introducing a streamlined system of business transfers and mitigating the requirements for small-scale share swaps; and 3) lifting unnecessary burdens

from companies by reforming various M&A regulations.

Figure A below describes the process of the newly introduced triangular division and merger: Suppose that acquiring company S, a subsidiary of P, wishes to acquire a portion of the business of target T. S and T enter into a division and merger agreement whereby S agrees to purchase the desired portion of T’s business. P provides its own shares to S as a capital injection, while T divides its business into two entities, T1, which T will retain, and T2, which will be acquired by S in this transaction; the shares of T1 and T2 are distributed to the shareholders of T. To consummate the transaction, S transfers the agreed number of shares of its parent P to the shareholders of T2 in exchange for their shares, and then effects a merger with T2.

(Figure A)

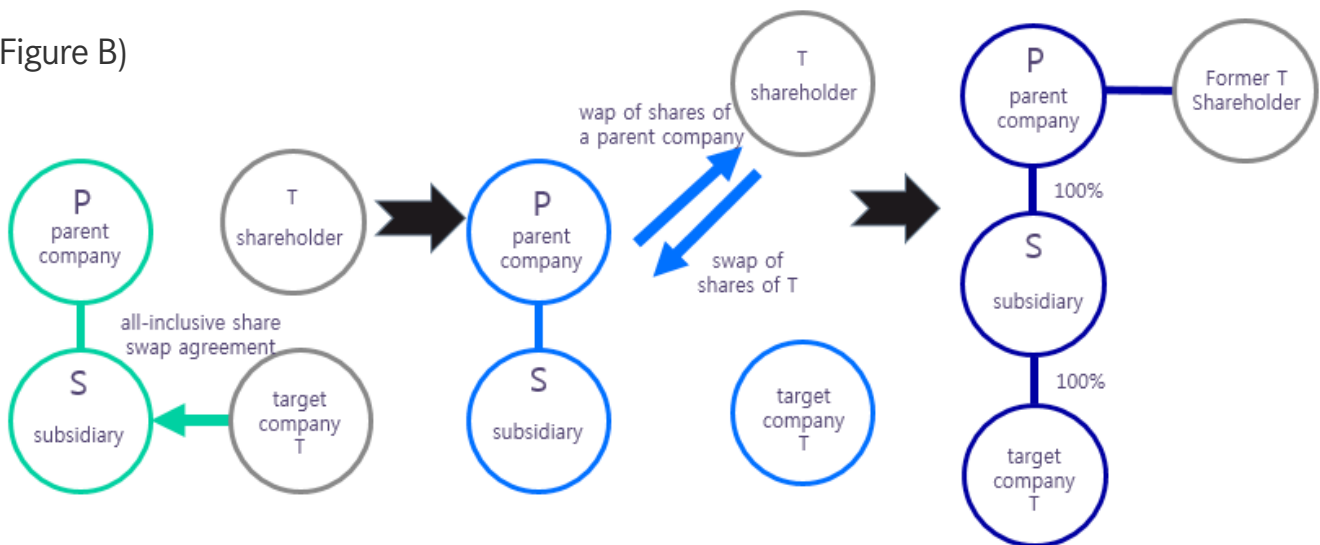


LEE NEWS

Similarly, Figure B describes the process of triangular share swap: when acquiring company S, a subsidiary of P, uses the shares

of its parent to swap for the shares of target company T, thereby acquiring it as a wholly-owned subsidiary.

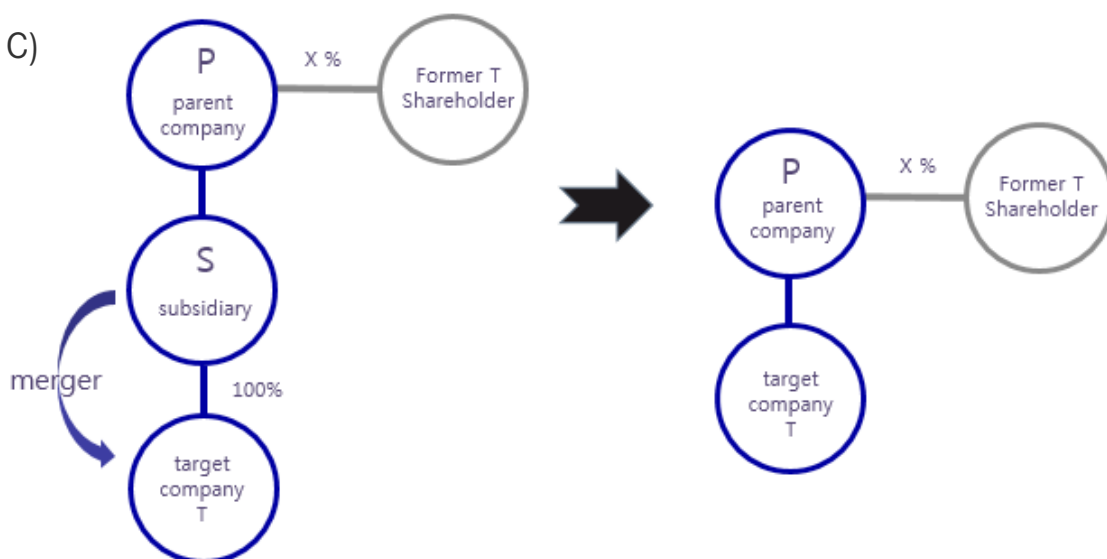
(Figure B)



After the foregoing share swap, if S and T merge with T as the surviving shareholder, it constitutes a “reverse triangular merger” as described in Figure C below. Since T still survives after the merger, T’s contractual relationships, patents, and other rights

continue unaffected by the merger (except to the extent that change of control triggers any issues). It is expected that these advantages will lead to increasing popularity of the reverse triangular merger in international M&A deals.

(Figure C)



LEE NEWS

Meanwhile, in addition to the amended Corporation Act, the Special Act for Enhancing Corporate Vitality ("Corporate Vitality Act"), which will enter into force on August 13, 2016, is expected to reduce burdens on certain companies seeking to reorganize their business.

The Corporate Vitality Act aims to provide benefits to a company whose field of business is overly crowded and which has prepared a plan to improve productivity and its financial structure through a reorganization of its business. The Corporate Vitality Act will be effective for only a limited period of three years. Under this Act, a company whose reorganization plan is approved by the competent authority is entitled 1) to have access to simplified reorganization procedures (e.g. merger, division) under the Commercial Act, 2) to receive the benefit of an extended grace period to adopt relevant regulations under the Fair Trade Act and 3) to enjoy tax benefits in accordance with the Restriction of Special Taxation Act.

Observers are watching closely to see whether these amendments of the Commercial Act and enforcement of the Corporate Vitality Act work as intended to fuel reorganization of business and governance of major corporate groups.

• The National Assembly Passes the Amendments to the Korean Copyright Act

Proposed amendments to the Korean Copyright Act were passed at a plenary session of the National Assembly on March 2, 2016 and were promulgated on March 22, 2016. They are expected to be implemented beginning September 23, 2016 following a grace period of six months after promulgation.

Pursuant to the amendments, in order to more effectively implement copyright protection, the Korea Copyright Protection Agency (note: the official English name has not yet been settled) will be established with the task of integrating the functions of copyright protection currently borne by the Copyright Protection Center and the Korea Copyright Commission. Under the current structure, with copyright protection affairs conducted by the two organizations, problems of inefficiency and duplication of effort have consistently arisen.

In addition, under the amendments, it is clearly expressed that "a disk for sale" would be revised as "a disk disclosed for commercial purposes" and "a digital sound source" would be deemed to be "a disk". Under the current Copyright Act, it is prescribed that a disk for sale can be played without permission of its

LEE NEWS

copyright owner in venues except for some places of business including huge stores. However, due to the recent change in methods of distributing music, confusion has arisen as to whether royalties upon playing disks in business places should be paid or not.

Currently, users playing music must pay royalties to each of four music-related copyright organizations, but under the amendments, in order to consider convenience of users and to prevent conflicts between right holders and users, provision is made for collection of royalties on a combined bases for all four organizations.

arbitration and commercial litigation lawyer for South Korea in Business Worldwide Magazine Legal Awards 2016.

※‘Business Worldwide’ magazine is a magazine specializing in global economic and trade with a worldwide readership of more than 60,000. It presents awards in various areas including CEO and M&A globally based on extensive surveys of clients as well as the legal profession.

LEE NEWS

- **Lance B. Lee Named Best International Arbitration and Commercial Litigation Lawyer for South Korea**



Lee International lawyer Lance B. Lee has been named as the best international



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Lee International IP & Law Group was founded in 1961 and currently ranks as one of the largest law firms in Korea.

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Lee International is a leader in patent prosecution, trademark prosecution, and IP disputes and litigation including patent litigation, trademark litigation, anti-counterfeiting matters, domain name disputes, copyright disputes and trade secret enforcement. Lee International counsels many Fortune 100 and other leading multinational companies on how to successfully maneuver not only through the complexities of Korean law, but also through the unique intricacies of doing business in Korea.

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