Lee International
IP & LAW GROUP

Summer 2020

NewsLetter

Any information and opinions on Lee International newsletters are issued for the purpose of providing general information, and do not reflect our legal opinion on any specific matters.

GENERAL TOPICS

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KIPO Provides COVID-19 Related Patent Information

From March 19, 2020, the Korean Intellectual Property Office (KIPO) started to offer COVID-19 related patent information through COVID-19 Patent Information Navigation (https://www.kipo.go.kr/ncov). The English version of the system is available at https://www.kipo.go.kr/ncov/index_e.html.

COVID-19 Patent Information Navigation shares major COVID-19 related patent technology trends, patent technology information, patent analyses and trends reports. In addition, information including the latest non-patent research data, testing kits and "walk-thru" tests can be found on COVID-19 Patent Information Navigation.

IPTAB to Concentrate on Quality Improvement in 2020

The Intellectual Property Trial and Appeal Board (IPTAB) announced that it will concentrate on improving the quality of the trials in 2020. According to the IPTAB, as the result of focusing on shortening the trial period and reducing cases waiting for trials, the average trial period is shortened 8.8 month as of March 2020, from 12 month at the end of 2018, and the cases on the waiting list are also largely reduced. The IPTAB also announced that it will focus on enhancing the quality of trials with the following detailed plans:

- Expansion of Oral Hearings and Strengthening of Trials

Trials are generally conducted based on written briefs. However, the IPTAB will make it a rule to conduct oral hearings for trials where there are two parties, such as an invalidation action, and will gradually expand oral hearings to a wider range of trials. Further, a trial judge will send an issue summary to two parties before oral hearings so that the two parties can sufficiently prepare in advance and respond.

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- Improvement in Speed and Efficiency of Trials

So far, in case an invalidation action is pending before the Patent Court, a first-filed correction trial only is processed as fast track trial proceedings. In the future, correction trials that are not a first-filed correction trial, if acknowledged as needed, can be processed as fast track trial proceedings.

- Early Start of Proceeding Patent Cancellation

A request for patent cancellation can be filed within six (6) months from the publication date of the patent. So far, proceeding of a patent cancellation case initiates after the six (6) months deadline for requesting a patent cancellation. However, from now on, even before the six (6) months have not passed, proceeding of the patent cancellation case can initiate at the patentee's request.

Enhanced Damages for Patent Infringement in Korea

The Korean Patent Act was revised as of May 20, 2020 with respect to the provisions for calculating damages for patent infringement.

Under the pre-revised Act, no damages could be claimed for infringing products in a quantity exceeding a patentee's capacity to produce its patented products. However, according to the revision, it is now possible for a patentee to claim damages even for the infringer's sale of infringing products exceeding the patentee's production capacity.

· Pre-revised Act: Patentee's Production Capacity x Profit per Unit Product
· Revised Act: (Patentee's Production Capacity × Profit per Unit Product) + (Quantity Exceeding the Capacity × Reasonable Royalty Rate)

For example, under the pre-revised Act, a patentee having a capacity of producing 100 products could only be awarded damages equivalent to 100 products. That is, even if an infringer sells 10,000 products infringing on the patentee's right, the patentee could not be awarded damages for 9,900 products exceeding his/her production capacity.

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Based on the revision, however, the patentee may claim damages and request a reasonable amount of royalties to the infringer even for the 9,900 products exceeding the patentee's production capacity (100 products).

The revised Act will be enacted in December 2020. If the revised provisions for calculating damages are implemented, the protection of patent rights in Korea will be further enhanced along with the punitive damages (treble damages), which is effective as of July 9, 2019.

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Patent and Utility Model Application Can be Filed with a Free-Format, Provisional Specification

As of March 30, 2020, an applicant is allowed to file a patent and utility model application with a free-format, provisional specification.

The provisional specification can be submitted in any general electronic form (PDF, DOC, DOCX, PPT, PPTX, HWP, JPG, TIF). That is, the applicant may submit an academic article, a research note, *etc.* that describes the applicant's invention without rewriting it in a prescribed format by using the K-editor (the software provided by the KIPO).

However, an application filed with such provisional specification is not deemed appropriate for substantive examination. In order for an invention to be examined, the applicant must file a new standard application, claiming priority within 12 months from the date the provisional specification is filed, such that the filing date of the provisional specification is acknowledged as an earliest filing date; or the applicant must file a standard specification in the prescribed format within 14 months from the filing date of the provisional specification.

By allowing to submit a provisional specification, it would be possible, in Korea, to obtain an earlier filing date without having to spend much time on drafting a standard specification.

Patentability of a Medical Use Invention Cannot be Denied Based on a Clinical Trial Plan

Recently, the Korean Patent Court issued a decision ruling that a clinical trial plan alone cannot destroy the novelty and inventive step of an invention, which has identified a pharmacological effect demonstrated by the clinical trial. In Patent Court Case No. 2019 Heo 4147, issued on February 7, 2020, the Patent Court stated that a clinical trial plan, which was released before the filing of a patent application, may qualify as prior art against the patent application. However, on the basis that a clinical trial plan only indicates a plan to carry out a clinical trial and does not disclose a pharmacological effect that will be demonstrated by the clinical trial, the Patent Court concluded that the clinical trial plan alone cannot destroy the novelty and inventive step of a medical use

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invention, which has identified the specific pharmacological effect demonstrated by the clinical trial.

In the past, Korean courts and examiners took the position that even an incomplete invention can be prior art, and they had a tendency to deny the novelty and inventive step of a medical use invention even if a prior art document merely discloses a speculation on the medical use without providing specific pharmacological data in support thereof. For example, if there was a prior art document that merely states a broad range of medical use or dosage of an active ingredient or includes a general description of the possibility that the active ingredient may be used in combination with another agent, it was very difficult to obtain a patent for an invention, which has identified a specific medical use or a pharmacological effect achieved by a specific dosage regimen or combined therapy.

In the recent decision, the Patent Court acknowledged that a clinical trial plan, which is deemed an incomplete invention, may qualify as prior art. However, the Patent Court clarified that the clinical trial plan can be prior art only within the scope of the technical content perceivable therefrom by a person skilled in the art based common technical knowledge and experience. Since a skilled person can only perceive from the clinical trial plan that a clinical trial for a combined therapy will be carried out, the Patent Court held that the novelty and inventive step of the invention, which has identified a specific medical use and a pharmacological effect of the combined therapy, cannot be denied based on the clinical trial plan.

The Patent Court's decision has significance in determining that a document, which does not disclose specific pharmacological data, is not deemed to disclose a corresponding medical use. Thus, it is expected that the Patent Court's decision will lead to a substantial change in patent practice for determining the patentability of a medical use invention.

Variety Protection Right of a Known Variety is Not in Effect on the Practice of the Variety Propagated Before the Publication of the Protection Application thereof

The Korean Supreme Court held that in a case where a known variety is propagated before the publication of a variety protection application thereof, the variety protection right of the known variety is not in effect even if the propagated variety is assigned or is offered to assign after the publication of the application (Case No. 2019 Da 294824

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issued on April 4, 2020).

The blueberry varieties of this case were registered for variety protection in 2004, U.S., but in Korea, blueberries became designated as a plant variety eligible for a variety protection application in 2012. Thus, an application for the blueberry varieties of this case was filed and registered for variety protection after 2012. Meanwhile, since 2011, the defendant of this case has purchased these blueberry varieties abroad, imported, cultivated and sold them. The right owner of these blueberry varieties and the exclusive licenser thereof filed a lawsuit against infringement and for damages against the defendant, and after a long dispute at the court, this case was finalized by the Supreme Court's ruling.

In view of the related law, the old Seed Industry Act stipulated that even if a variety is known and is registered abroad, such a variety is acknowledged to have novelty if filed within one year after being designated as a plant variety eligible for a variety protection application in Korea; the variety protection right is not in effect on the practice of a third party before the publication date of the variety protection application, and a third party who is in the process of conducting or preparing for the practice of the variety before the publication in Korea has non-exclusive license with compensation.

Based on this law, the Supreme Court ruled that: in case where the defendant propagated the blueberry variety before the publication date of the variety protection application, even if the defendant sold or offered to sell the propagated variety after the publication of the application, the defendant is not deemed to infringe the variety protection right of the plaintiff; and the defendant is a person who was in the process of conducting or preparing for the practice of the variety, and thus, the defendant has non-exclusive license with compensation for proliferation and sale of the variety within the scope of the purpose for its practice or preparation thereof.

Relaxed Requirements for Determining an Inventive Step of a Selection Invention has been Added to the Patent Examination Standard

In January 2020, the KIPO reflected the Patent Court's Eliquis Decision (2018 Heo 2717) to the examination criteria on a selection invention. In the decision above, the Patent Court held: "If prior art teaches away from a patent application, or the prior art comprises a number of species concepts so that the effect disclosed in the prior

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art is not properly confirmed in broad species concepts, the patent application is not deemed as a selection invention of the prior art and its inventive step should be determined under the same criteria as regular inventions, and the specification drafting requirements for the effect applied to the selection invention should be relaxed." This criterion was added to the patent examination standard.

In Korea, an inventive step of a selection invention has been acknowledged only if the specification clearly describes that the selection invention produces a different or quantitatively remarkable effect compared to the prior art without examining whether the invention could not have been easily conceived. Therefore, such strict specification drafting requirements have been difficult to be met. In particular, if an inventor filed a patent application without recognizing that it is a selection invention, its inventive step was difficult to be acknowledged.

The Eliquis decision presented relaxed criteria as above, but denied an inventive step of the Eliquis invention, and the case is appealed to the Supreme Court. Although the Supreme Court's decision has not yet been rendered, due to the addition of such examination criteria, relaxed examination results for the specification drafting requirements for the effect of a selection invention are expected from the KIPO.

Active Patent Application Filings for 5G-LTE Interworking Technology

South Korea launched the world's first commercial fifth-generation (5G) wireless network on April 3, 2019. The telecommunication ecosystem is now undergoing another period of transformation. Although the 5G network service does not cover all areas of South Korea, the 5G service is provided using the long-term evolution (LTE) network in areas where the 5G network has not yet been fully established. Patent applications for such a 5G-LTE interworking technology have drawn attention due in part to a rapid increase in recent years.

According to the Korean Intellectual Property Office (KIPO), 5G-LTE interworking technology related application filings rapidly increased to 165 applications in 2017 after 24 applications were filed in 2016, when international standardization for 5G technology began. This is a result of reflecting the situation where the interworking technology, which uses the 5G service by

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using the LTE network even in areas where the 5G service is not provided, rapidly increased at the beginning of the 5G standardization discussion as it is expected to take a considerable time for the 5G network service to cover all areas. Accordingly, as the domestic and foreign telecommunication service providers prefer 5G equipment that can be interworked with LTE, equipment manufacturers naturally became interested in the 5G- LTE interworking technology to preoccupy the 5G global market, which is expected to be up to USD 1.1588 trillion in 2026.

Looking at the recent filing trends by the applicants, large enterprises accounted for 75.4%, foreign companies and research institutes accounted for 12.3% and 9.4%, respectively, and small and medium-sized enterprises accounted for only 2.9%. Due to the nature of the 5G technology, while it is difficult for small and medium-sized enterprises or individuals to file a patent application related thereto, large domestic enterprises are actively securing rights for the 5G-LTE interworking technology discussed during the international standardization conference.

Looking at the recent filing trends by the specific technology fields, 178 applications related to dual connectivity, which allows simultaneous access to 5G base stations and LTE base stations, have been filed, and 98 applications related to coexistence, which allows 5G and LTE to share the same frequency, have been filed. Especially, since the dual connectivity and coexistence use the existing LTE equipment and frequency, the initial investment risk on the 5G technology is reduced and the transmission speed of the terminal is increased, and thus, is expected to promote the spread of 5G.

“The 5G-LTE interworking technology is important as it can both reduce the investment risk for mobile telecommunication investors and increase convenience for 5G users,” announced KIPO. Since 5G and LTE are bound to coexist for thenext few years, research and developmentand patent application filings in this field will become more active.

TRADEMARKS / DESIGNS

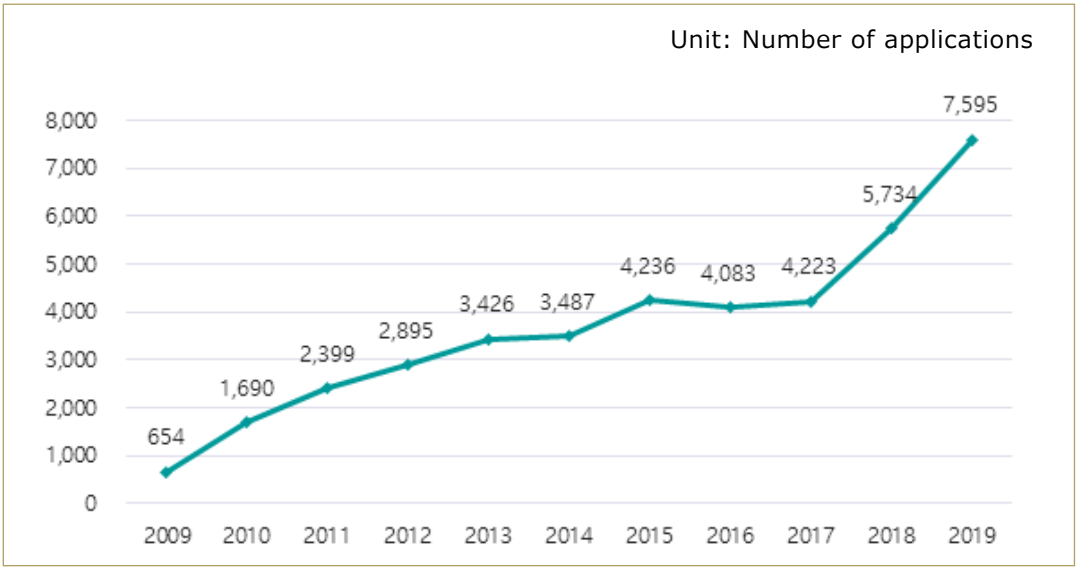
TRADEMARKS / DESIGNS

The Number of Trademark Applications with Expedited Examination Requests Made a Twelve Times Increase

The Korean Intellectual Property Office (KIPO) has published statistics on the number of trademark applications with expedited examination requests during the recent 10 years and announced that in recent years there has been a significant surge in such requests.

Trademark applications are generally examined in the order they are submitted. However, the examination of certain types of applications, *e.g.* where the applicant is already using the mark or needs to take action against infringing acts, can be expedited upon request by the applicant. An applicant who requested an expedited examination receives the results of the first examination within two months of requesting expedited examination, which is five months faster than regular application.

The KIPO has been implementing an expedited examination system for trademark applications for over ten years since 2009. The number of such requests was only 654 in the initial stage but has steadily increased. In recent years, the number of the requests has seen a significant surge



[Number of trademark applications with expedited examination requests]

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to 5,734 in 2018 and 7,595 in 2019, making a twelve times increase in the ten years after the introduction of the system.

The expedited examination system provides a good choice for an applicant who wants to receive quick results for its application, and it also enables a rapid establishment of legal relationships thereby minimizing disputes. These merits of the system are considered to have attributed to the increase of the number of expedited examination requests.

Korean Design Examination Guidelines Update: The Product Name in English Now Acceptable as the Title of Design

With the development of digital and multimedia technologies, the Korean Intellectual Property Office (KIPO) has recognized the names of new products in English as the title of the design. In addition, the KIPO set new design examination standards to clarify the basis for examining designs that are imitations of famous trademarks or designs. To this end, the KIPO has amended the Korean Design Examination Guidelines ("Guidelines"), which took effect as of March 1, 2020.

According to the amendments to the Guidelines, the name of a product in English is now permitted as the title of the design if the product name is commonly used in the industry (for example, "Smart Watch," "MP3 Player," and "Cellular Phone.") The KIPO previously required that the title of design be provided in the Korean language and the title in foreign languages can be added in brackets.

In addition, the amended Guidelines strengthened the protection of famous trademarks and designs. In this regard, the amended Guidelines provide that designs, which are imitations of famous trademarks or designs (such as the designs "  " which are imitations of the famous trademarks "  ") cannot be registered. Prior to the amendment to the Guidelines, the basis for rejecting a design that is an imitation of a famous trademark/design was unclear.

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Lee International Named Leading Law Firm by MIP '2020 IP Stars Patent and Trademark Ranking'

Lee International has been named a Leading Law Firm in Prosecution and Contentious Areas, by MIP '2020 IP Stars Patent and Trademark Ranking'.

MIP (Managing Intellectual Property) is a monthly magazine providing the latest news, insights and commentaries on special issues and developments in the world of IP law.

Lee International Selected as Asia's Tier 1 Firm in IP-trademark, and Deputy Head Yoon Suk Shin Selected '2020 IP Experts of South Korea'

Lee International was selected as a tier 1 firm in both prosecution and contentious works by the 2020 Asia IP Trademark Survey. and Deputy Head Yoon Suk Shin Selected '2020 IP Experts of South Korea'.

Asia IP is a legal information media published by Hong Kong media, 'Apex Asia Media Limited', which provides in-depth articles and useful information to law firms around the world.

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New Member

Kun-Kang YOON
Patent Attorney

Kun-Kang Yoon is a patent attorney at Lee International IP & Law Group. Specialized in mechanical engineering technologies, Mr. Yoon has been conducting numerous patent prosecutions.

Prior to joining Lee International, Mr. Yoon worked as a patent attorney at Dooho IP Law Firm (2017-2019), and graduated from Korea University (B.A. in Mechanical Engineering) in 2017 and was admitted as a Korean patent attorney in 2016.

Ah-Young KIM
Patent Attorney

Ah-Young Kim is a patent attorney at Lee International IP & Law Group. As an expert in mechanical engineering technology, her practice mainly focuses on patents related to mechanical devices such as automobiles, semiconductor manufacturing equipment, mobiledevices, home appliances, etc. In particular, Ms. Kim has rich experience in handling various patent filings, Office Actions, prior technology investigations, infringement appraisals and patent trend investigations.

Prior to joining Lee International, Ms. Kim worked as a patent attorney at Kasan Patent Office (2018-2019), and graduated from Seoul National University (B.S. in Regional System Engineering) in 2010 and was admitted as a Korean patent attorney in 2017.

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Trusted Partner for Your Global IP Needs

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

Lee International retains distinguished IP professionals with expertise in all major areas of intellectual property.

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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