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LETTER FROM THE EDITOR-IN-CHIEF

The Patent Court of Korea was established on March 1, 1998 with exclusive jurisdiction over appeals from decisions made by the Intellectual Property Trial and Adjudication Board(IPTAB). Prior to its establishment, the decisions made by the appellate tribunal of the Korean Intellectual Property Office(KIPO) was appealable only to the Supreme Court, which deprived the appellants of their right to be heard by judges in trial courts since the Supreme Court adjudicates on matters of law only. Therefore the launch of the Patent Court is meaningful in terms of laying a legal foundation for judicial involvement of trial proceedings in the intellectual property system of Korea.

Since the launch of the Patent Court in 1998, the Court has been recognized for its significant contributions to the development of the intellectual property system of Korea, through an expansion of both qualitative and quantitative research on intellectual property matters conducted by a pool of specialized judges produced by the Patent Court and through sharing the research with government offices, such as KIPO, universities, intellectual property experts including lawyers and patent attorneys.

The Patent Court continues its efforts to improve its justice system to ensure fairness and objectivity. As a court with almost 30% of cases involving foreign parties, the Patent Court endeavors to conduct fair trials by developing universal standards and thereby applying them appropriately despite the differences in the intellectual property system among nations.

As it has been proved during the Korea-US IP Judicial Conference on October 2013, the Patent Court conducts trial proceedings in line with the international standards as well as endeavors to contribute to build international standards by an active participation in the international intellectual property community.

The purpose of this publication is to disseminate the developed judicial system and the research results of the Patent Court. This publication consists of three parts, an Overview of the intellectual property system, summary of court decisions and summary of articles. The first part summarizes the intellectual property system of Korea which could help better understanding of the following two parts. The second and third part include

respectivelysummarization of the selected decisions of the Patent Court and the selection of research publications produced by the judges of the Patent Court with a hope that these could provide vivid pictures on the methodologies and applications of the intellectual property system of Korea.

Though this publication could only contain smallselections of the outcomes of the Patent Court due to a restriction of space, the Court plans to supplement through an annual publication. We hope that this publication could help understanding of the intellectual property system of Korea for foreign experts, researchers and practitioners and could be an impetus to the development of the intellectual property system of Korea.

I would like to thank the members of Lexcode for draft translation and the members of Artech design for editing and publishing. I am very grateful to the judges for carefully selecting and summarizing the decisions and research articles, to administrative judge Kim, Sanghee of IPTAB for the advice and help on various subtle matters and to Prof. Kim, Young Min of Department of Design of Woosong College for designing the cover which suits this publication.

I would like extend my special gratitude to Prof. Paik, Eun Seok of Handong University for the final and full redaction of this publication. Without his support, this publication would not have been completed.

December 2014

Young-Ho Kang, Chief Judge of the Patent Court of Korea

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Overview of the Intellectual Property Rights System in the Republic of Korea

Kyu-Hyun Han, Patent Court Presiding Judge

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1. Intellectual Property Rights ("IPRs"): Definitions and Applicable Laws

A. Intellectual Property or Intellectual Property Right Defined (Article 3 of the Framework Act on Intellectual Property)

An intellectual property right refers to a right concerning an intellectual property recognized or protected by laws, treaties, etc. Intellectual property refers

to knowledge/information/technology, an expression of ideas or emotions, an indication of business or goods, an organism's variety or genetic resources , or other intangibles that are created or discovered by human creative activities, experiences, etc. whose property value can be realized. New intellectual property refers to intellectual property that appears in a new field in line with economic, social or cultural changes or development in science and technology.

B. Constitutional Provisions and Applicable Laws

1) Provisions of the Constitution (Articles 22 and 23)

The rights of authors, inventors, scientists, engineers and artists shall be protected by legislation. The right of property of all citizens shall be guaranteed, and the contents and limitations thereof are to be determined by legislation. The exercise of property rights shall conform to public welfare. Any expropriation/use or restriction of private property by reason of public necessity and compensation therefor shall be governed by legislation, and in such cases, just compensations shall be paid.

2) Form and Purpose of Applicable Laws

A) Form of Applicable Laws

The law that governs intellectual property rights is comprised of individual statutes such as Copyright Act, Patent Act, Utility Model Act, Design Protection Act, Trademark Act, Unfair Competition Prevention and Trade Secret Protection Act (hereinafter "Unfair Competition Prevention Act"), Act on the Layout-Designs of Semiconductor Integrated Circuits, Protection of New Plant Varieties Act, Agricultural & Fishery Products Quality Control Act, etc. While there is no intellectual property law *per* se in the form of a single body of legislation, the Framework Act on Intellectual Property was enacted, promulgated on May 19, 2011 and went into force on July 20, 2011. Article 5 of this Act provides that "[w]here other Acts related to intellectual property are enacted or amended, they shall satisfy the objectives and basic principles of this Act[.]" and that "[e]xcept as otherwise provided for in other Acts, this Act shall apply to the promotion of polices for intellectual property."

B) Purpose of Various Statutes and Their Subject Matter of Regulation

The purpose of the Framework Act on Intellectual Property is to contribute to the national economic, social and cultural development and the improvement of citizens' quality of life by formulating basic government policies and establishing the system for promotion thereof in order to facilitate creation, protection and utilization of intellectual property and to create the foundations thereof, thus enabling the value of intellectual properties to be displayed in our society to the fullest extent.

The purpose of the Copyright Act is to protect the rights of authors and the neighboring rights and to promote fair use of works in order to contribute to the improvement and development of cultural and related industries, and this Act governs an authors'works, works subject to neighboring rights, etc. The purpose of Patent Act and Utility Model Act is to facilitate the development of technologies by protecting/encouraging inventions or practical devices and promoting their use , thereby contributing to the development of industries. The Patent Act governs inventions and the Utility Model Act governs utility models. The purpose of the Design Protection Act is to encourage the creation of designs by ensuring their protection and use so as to contribute to the development of industries, and this Act governs designs.

The purpose of the Trademark Act is to contribute to the development of industries by maintaining business reputation of persons using trademarks as well as to protect the interests of consumers through the protection of trademarks, and this Act governs trademarks, service marks, etc. The purpose of the Unfair Competition Prevention Act is to maintain orderly trades by preventing acts of unfair competition, such as improper use of domestically well-known trademarks and trade names, and acts of trade secret infringements, and this Act governs acts of causing confusion with trademarks or service marks widely recognized in Korea, acts of unfairly using another's trade secrets, etc.

The purpose of the Act on Layout-Designs of Semiconductor Integrated Circuits is to contribute to the sound development of national economy through promotion of industries and technologies relating to semiconductors by protecting the rights of persons who create layout-designs for semiconductor integrated circuits and by encouraging fair use of such layout-designs, and this Act governs layout-designs of semiconductor integrated circuits. The purpose of the Protection of New Plant Varieties Act is to promote the development of seed industry and to contribute to the

development/stabilization of production in agriculture, forestry, and fishing industries by prescribing matters concerning the protection of plant breeder's rights, major crop plant quality maintenance, seed production/certification /distribution, and the promotion of and support for the seed industry, etc. This Act governs plant varieties, etc.

The purpose of the Agricultural & Fishery Products Quality Control Act is to contribute to increasing farmers' and fishermen's income and protecting consumers by securing the safety of agricultural and fishery products, improving merchantable quality thereof and facilitating fair and transparent trade through appropriate quality control of agricultural and fishery products, and this Act governs geographical indications, etc.

2. Types and Contents of Intellectual Property Rights

A. Industrial Property Right

Intellectual property rights are generally classified into industrial property rights and copyright, typical examples of the former being patent right, utility model right, design right, and trademark right.

1) Types and Registration Requirements

A) Patent Right

(1) Concept

Patent right is an exclusive monopoly right concerning patented inventions under the Patent Act. The term "invention" means the highly advanced creation of technical ideas utilizing laws of nature, and the term "patented invention" means an invention for which a patent has been granted. To be patented, an invention has to meet requirements under Articles 29, 42, etc. of the Patent Act.

(2) Requirements under Article 29 of the Patent Act

In order to be patented, an invention must have industrial applicability, novelty, and inventive step. Industrial applicability means that an invention can be used in the industry. That an invention could be used in the near future would suffice even if it is not being used currently. Here, the term "industry" includes agriculture, mining, forestry, fishery, and commerce as well as

manufacturing.[1)]

Novelty of an invention means that an invention is new and not known to the general public. An invention lacks novelty if in Korea or in a foreign country, prior to the filing of patent application, it is publicly known,[2)] publicly worked,[3)] described in a distributed publication, or made available to the public through electric telecommunication lines, (See each subparagraph of Article 29 (1)).

Being "novel" means that an invention is new, that is, it is not identical with any prior art publicly known before the patent application. Cases where a claimed invention and an invention disclosed in a prior art are identical include not only where the entire technical features overlap, but also where only part of them overlap with differences in scope, unless special circumstances exist. Two inventions are also identical where some difference in their technical features is merely a modification ordinarily adopted by a person skilled in the art and there is no special difference in the purpose and effect of invention.[4)]

No patent shall be granted for an invention where prior to the filing of patent application such invention could easily be made by a person having ordinary skill in the art to which such invention pertains (hereinafter "a person skilled in the art"), on the basis of an invention referred to in any subparagraph of Article 29 (1). Inventive step means that a person skilled in the art cannot easily invent (or derive) it from an invention referred to in any subparagraph of Article 29 (1). An invention cannot be patented simply because it is new, that is, it is not identical with an invention referred to in any subparagraph of Article 29 (1). In

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1) See Sang-Jo Jeong & Seong-Su Park, Commentaries on Patent Act Ⅱ, Pakyoungsa Publishing, 2010, p.285.

2) The term "publicly known" means that an invention has become known to the public, and an invention shall be deemed as "publicly known" if it is available to a member of the public who is not subject to a confidentiality obligation.

3) The term "publicly worked" means that an invention has been worked in a situation where the content of the invention is or could be publicly known. Working (of invention) means "an act of manufacturing, using, assigning, leasing, importing, or offering for assigning or leasing (including displaying for the purpose of assignment or lease; hereinafter the same) the product" in cases of invention of product, "an act of using the process" in cases of invention of process, and "an act of using, assigning, leasing, importing, or offering for assigning or leasing the product manufactured by the process, in addition to the acts of using the process" in cases of invention of process of manufacturing a product (Article 2 Subparagraph 3 of the Patent Act).

4) *See* Supreme Court Decision 2007Hu2827 decided Sep 24, 2009.

order to be patented, it must have inventive step over an invention referred to in any subparagraph of Article 29 (1).

Any technology that a person skilled in the art can easily come up based on an invention referred to in any subparagraph of Article 29 (1) cannot be deemed to have inventive step, even if the technology is not the same as an invention referred to in any subparagraph of Article 29 (1). Whether an invention has inventive step is determined at the technical level of those skilled in the art, not patent examiners, administrative patent judges, technical investigation officers in the civil court, technical advisors in the patent court, or judges.

(3) Requirements under Article 42 of the Patent Act

A patent application shall be accompanied by a specification, drawings where required, and an abstract thereof. A specification has to shall set forth the title of invention, brief explanation of the drawings, detailed description of the invention, and claims. Detailed description of the invention shall be provided in a clear and detailed manner to ensure that any person skilled in the art can easily make the invention, and shall state the background technology of the invention. The claims shall state one or more claims specifying the matter for which protection is sought, shall be supported by detailed description of the invention, and shall define the invention definitely and concisely.

B) Utility Model Right

(1) Concept

Utility model right means an exclusive right to a registered utility model under the Utility Model Act. A registered utility model means a device for which a utility model registration has been granted, and a device means a creation of technical ideas by utilizing the laws of nature. A device is the same as an invention in that it is a creation of technical ideas by utilizing the laws of nature but different in that it need not be highly advanced.

(2) Requirements under Article 4 of the Utility Model Act

In order to be registered as utility model, a device must relate to the shape or structure of an article or combination of articles, and must have industrial applicability, novelty, and inventive step. Industrial applicability and novelty, among them, are the same as those of patent. Difference from patentability

requirements is as follows.

First, it must relate to the shape or structure of an article or combination of articles (hereinafter 'utility model'). It is different from an invention in that it only relates to the shape or structure of an article or combination of articles. The purpose of utility model system is to protect devices (minor inventions) on the shape or structure of an article or combination of articles falling short of the standard of technical progress or of the advanced level of invention that deserves patent.

Second, concerning inventive step, a device shall not be one that would have been exceedingly easy for a person skilled in the art to create. This differs from inventive step of patentability requirements.

C) Design right

(1) Concept

Design right means an exclusive right to a registered design under the Design Protection Act. The term "design" means any shape, pattern, color, or a combination of these of an article (including part of an article and font) which produces an aesthetic impression through the sense of sight. The term "font" means a set of characters (including forms, such as numbers, letter marks, symbols, etc.) of the same style which is used for recording, marking or printing.

(2) Registration Requirements under Article 33 of the Design Protection Act

Design registration requires industrial applicability, novelty, and difficulty of creation. Industrial applicability means that a product can be mass-produced by an industrial method.

Novelty here means that a design is not same as or similar to a design falling under subparagraph 1 or 2 of Article 33 (1) and is new. Any design publicly known, publicly worked (Subparagraph 1), described in a distributed publication, or made available to the public through electric telecommunication lines (Subparagraph 2), in Korea or in a foreign country, prior to the filing of design application, or any design similar to a design falling under subparagraph 1 or 2 (Subparagraph 3), lacks novelty. This provision is intended to protect objectively creative designs, and prevent objectively non-creative designs from being registered.

Difficulty of creation concerning a design means that a person ordinarily skilled in the art of the design (hereinafter 'ordinary designer') cannot easily create the design prior to the filing of design registration application. A design, even if it is different, that an ordinary designer can easily create prior to the filing of application through ① any design under Subparagraph 1 or 2 of Paragraph 1 or combinations thereof or ② any shape, form, color or their combination widely known in Korea or in a foreign country, cannot be registered (degree of the difference can affect decision of the difficulty of creation, though).

(3) Registration Requirements under Article 34 of the Design Protection Act

Notwithstanding Article 33 of the Design Protection Act, a design consisting solely of a shape that is indispensable to secure the functions of the article, and a design which is liable to cause confusion with an article pertaining to another person's business cannot be registered.

D) Rights Protected by Trademark Act

(1) Trademark Right

(A) Concept

Trademark right means an exclusive right to a registered trademark under the Trademark Act. A registered trademark means a trademark that is registered, and a trademark means a mark used by a person producing, processing or selling products as a business to distinguish the product related to his/her business from another person's product. The term "mark" includes ① any sign, letter, figure, three-dimensional shape or the combination thereof ② any color that is not combined with others, the combination of colors, any hologram, movement or other item that can be visually recognized, and ③ any item expressed realistically with a sign, letter, figure, or by any other visual means among items that cannot be recognized visually such as sounds and odors.

(B) Registration Requirement under Article 6 of the Trademark Act: Distinctiveness

Ordinary names, customarily used marks, descriptive marks, conspicuous geographical names, simple and ordinary marks, or marks which do not enable consumers to recognize whose goods it indicates in connection with a person's

business cannot be registered.

(C) Registration Requirement under Article 7 of the Trademark Act

Any trademark that contravenes public order and morality, any trademark whose mark and designated goods are identical or similar to those of another person's registered trademark of prior application filing, any trademark whose mark and goods to be used are identical or similar to trademark well known among consumers as indicating another persons' goods, or any trademark which is likely to cause confusion with another person's goods or services conspicuously recognized among consumers cannot be registered.

(2) Service Mark Right

A service mark right means an exclusive right to a registered service mark under the Trademark Act. The term "service mark" means a mark used by a person who carries on service business for the purpose of distinguishing his/her service business from those of others. Provisons on trademark apply here, unless there is a special provision.

2) Establishment and Term of Right

A) Establishment of Right

(1) Establishment by Registration

A right shall enter into effect after filing of application, examination, decision to grant registration, payment of registration fee, and registration of its establishment on the register. An exclusive license for a patented invention, registered utility model, or registered design enters into effect by registration of its establishment, but the same for a registered trademark becomes effective without registration (amended by Act No. 11113, Dec. 2, 2011) and registration is only required in order to assert the license against a third party (Article 56, 58 of the Trademark Act).

(2) Examination by Examiners

(A) Utility Model

Mandatory examination system, due to examination backlog , etc., was changed to non-examination system by amendment of the Act on Sep 23, 1998 (Effective on Jul 1, 1999) and, a utility model registered through non-examination

could only be exercised against infringers after a decision to uphold the registration.

When issues with the non-examination system were raised and the period of examination was shortened, mandatory examination system was readopted by amendment of the Act on Mar 3, 2006 (Effective on Oct 1, 2006).

(B) Design

All substantive requirements are examined in principle but, for designs of certain articles, only part of the requirements are examined. Under the system of partial examination for registration, requirements except those under each subparagraph of Article 33 (1) and subparagraph 1 of Article 33 (2) of the Design Protection Act are examined. It was introduced to facilitate early protection for design of articles that are highly trendy and have short life-cycles (See Article 62 (2)).

B) Term of Right

The term of a patent right shall commence upon its registration and lasts for 20 years from the filing date of its application (Article 88 of the Patent Act). When any one intending to implement a patented invention has to obtain a permit or file for registration under other Acts and subordinate statutes, which takes a long time due to activity or safety tests, etc. required for such permit or registration. etc. in cases of inventions prescribed by Presidential Decree, the term of such patent right may be extended up to five years (Article 89 of the Patent Act). When the registration of establishment of a patent right is delayed past the date on which four years lapse after the date of a patent application or the date on which three years lapse after a request for the examination of an application is made, whichever is later, the term of the relevant patent right may be extended as much as the delayed period (Article 92-2 of the Patent Act).

The term of a utility model right shall commence on the registration date of the establishment thereof and shall expire on the tenth anniversary of the filing date of the application for the utility model registration (Article 22 of the Utility Model Act). This term can be extended if the registration is delayed (Article 22-2 of the Utility Model Act). The term of a design right shall begin on the date of registration of its establishment and shall end 20 years from the filing date of its

application (Article 91 of the Design Protection Act).[5] The term of a trademark right shall be ten years from the date of registration of its establishment, and the registration may be renewed every ten years (Article 42 of the Trademark Act).

3) Effect of right and restriction thereof

A) Effect of right: Exclusive right

A patentee or utility model right-holder shall have the exclusive right to work a patented invention or a registered utility model, both commercially and industrially: Provided, That where the patent right or utility model right is the subject of an exclusive license, the above shall not apply to the extent that the exclusive licensee has the exclusive right to work the patented invention or the registered utility model (See Article 94 of the Patent Act, and Article 23 of the Utility Model Act).

A design right-holder shall have the exclusive right to work a registered design or similar designs as a business: Provided, That where the design right is the subject of an exclusive license, the above shall not apply to the extent that the exclusive licensee has the exclusive right to work the registered design or similar designs (Article 92 of the Design Protection Act). Unlike an invention or device, which is a technical idea, a design is specifically and expressly embodied in the form of an article and, due to its narrow scope of protection, the concept of identicalness alone cannot actually protect designs and achieve the goals of design system. So the design system also grants the exclusive right to similar designs. Registered design or similar design means same or similar design for the same article, or same or similar design for similar articles.

A trademark right-holder shall have the exclusive right to use a registered trademark for the designated goods: Provided, That where the trademark right is the subject of an exclusive license, the above shall not apply to the extent that the exclusive licensee has the exclusive right to use the registered trademark (Article 50 of the Trademark Act).

B) Restriction on effect of right

The effect of a patent right, utility model right, or design right shall not extend to working of the patented invention, registered utility model, or

5) Before amendment of the Act on May 28, 2013, 15 years from the date of establishment registration.

registered design for the purpose of research or experiments, and products available in Korea at the time of filing an application therefor (Article 96 of the Patent Act, Article 24 of the Utility Model Act, and Article 94 of the Design Protection Act).

The effect of trademark right shall not extend to a trademark that indicates a trade name, etc. in a common way, a trademark that indicates a common name for goods or descriptive mark in a common way, or a trademark with shapes, colors, a combination of colors, sounds or odors essential to secure the functions of the designated goods of the registered trademark or their packaging (Article 51 of the Trademark Act).

4) Scope of protection

The scope of protection for patented invention or registered utility model shall be determined by the claims (Article 97 of the Patent Act, and Article 28 of the Utility Model Act). The scope of protection for registered design shall be determined by the contents in the design application and the drawings, photographs or samples attached to the application, and the design depicted in accordance with the description of the design in the drawings (Article 93 of the Design Protection Act). The scope of protection for registered trademark shall be determined by the trademark specified in the application for trademark registration (Article 52 of the Trademark Act).

B. Rights protected by the Copyright Act

1) Copyright

A) Meaning and types

Copyright is an exclusive right concerning "works," which means a creative works that express human thoughts or emotions. Works include literary works, musical works, artistic works, architectural works, photographic works, cinematographic works, diagrammatic works, computer program works, derivative works, and compilation works.

Copyright consists of author's moral rights and author's property rights. Author's moral rights include the right to make the work public, the right to name attribution (or to claim authorship, that is, the right of paternity), and the right to the integrity of the work. And author's property rights include the right of reproduction, the right of public performance, the right of public transmission,

the right of distribution, the right of rental, and the right of the production of derivative works.

B) Establishment and term of author's property rights

Author's property rights comes into being when the work is created. However, transfer or the restriction on the disposal of author's property rights shall not be effective against any third party without registration. Author's property rights in a work shall subsist during the life of the author and for a period of seventy years after the death of the author (Article 39 (1)). When determining the term of protection of author's property rights, calculation shall be made from the following year of the death of the author, the creation of the work or the making public of the work (Article 44).

C) Scope of protection for works

Only such creative expression that specifically expresses to the outside human thoughts or emotions by words, letters, sounds, colors, etc. is protected. The content expressed, that is, thought or emotion itself (e.g., idea or theory) is not protected.

2) Neighboring right

A) Meaning

The term "neighboring right" means an exclusive right of performers, producers of phonogram, or broadcasting service providers (broadcasting organizations or broadcating entities) concerning neighboring work such as a performance, a phonogram, or a broadcast. The term "performance" means an act of expressing a work by acting, dancing, musical performance, singing, narrating, reciting, or other artistic means, or an act of expressing something other than a work by a similar method. The term "phonogram" means sounds fixed in a tangible medium. The term "broadcasting" means, among public transmission, the transmission of sounds, images, or sounds and images intended for simultaneous reception by the public.

The term "producers of phonogram" means the persons who plan and assume responsibility for the fixation of sound on phonograms. The term "broadcasting service provider" means a person who provides broadcasting service as business.

B) Content and term of neighboring right

Performers have the right of paternity, the right of integrity, the right of reproduction, the right of distribution, the right of rental, the right of public performance, the right of broadcasting, and the right of interactive transmission. Producers of phonogram have the right of reproduction, the right of distribution, the right of rental, and the right of interactive transmission. Broadcasting service providers have the right of reproduction, the right of simultaneous broadcast, and the right of public performance.

The term of protection of neighboring rights shall commence from the time when the performance takes place in case of performance, from the time when the first fixation of sound in a phonogram is made in case of phonogram, and from the time when the broadcast is made in case of broadcast. Neighboring rights shall remain effective for a period of 70 years in case of performance and phonogram, and for a period of 50 years in case of broadcast (Article 86).

3) Database producer's right

A database producer holds the rights to reproduce, distribute, broadcast or interactively transmit the whole or a considerable part of his/her database (Article 93). The term "databases" means compilations of which materials are arranged or composed in a systematic way, and such materials are individually accessible or searchable. Rights of a database producer shall commence from the time when the production of a database is completed, and remain effective for a period of five years counting from the year after the year when it is completed (Article 95).

4) Exclusive publication right

The exclusive right of publication is the right to use the work which is the object of such exclusive right of publication by means of publication, reproduction, interactive transmission, etc. according to the terms of the contract of establishment (Article 57). The duration of the right of exclusive publication shall be three years from the date of the first publication, etc., unless otherwise stipulated in the contract of establishment (Article 59).

5) Right of publication

The right of publication is the right to publish the work, which is the object of the right of publication, as it is as the original, according to the terms of the

contract of establishment (Article 63). The duration of this right shall be three years from the date of its first publication, unless otherwise stipulated in the contract of establishment (Article 63-2).

C. Protected Subject Matter of the Unfair Competition Prevention Act

1) Subject matter protected against unfair competition

Subject matter protected against unfair competition includes ① another person's name, trade name, trademark, or container or package of goods, or any other mark indicating another person's goods, which is widely known in Korea, ② another person's name, trade name, or emblem, or any other mark indicating another person's business, which is widely known in Korea, ③ marks indicating place of origin or marks indicating actual places of production, manufacture, or processing, ④ shape of goods manufactured by another person (referring to the form, image, color, gloss or any combination of these, including the shape of any test product and the shape in goods brochure), and ⑤ any other outcome, etc. achieved by another person through substantial investment or efforts.

2) Trade secret

A) Meaning

The term "trade secret" means information including a production method, sales method, and other technical or business information useful for business activity, which is not known publicly, is the subject of considerable effort to maintain its secrecy, and has an independent economic value.

B) Requirements

First, a trade secret shall not be known to the public. That is, since the information is not something known to the general public (e.g., described in a distributed publication), generally it cannot be obtained unless through its holder.

Second, it has to have an independent economic value. To be protected as trade secret, the information has to have an independent economic value as production method, sales method, and other technical or business information useful for business activity. This means that holder of the information can obtain competitive edge against competitors by using the information or that acquisition or development of the information requires significant costs or

efforts.

Third, it has to be maintained as secret. The holder of trade secret has to keep the information secret by reasonable efforts. That is, the fact that the information is maintained and kept as secret has to be objectively recognizable (e.g., indication or notice that the information is a secret, restriction on the person, or method of, accessing the information, or imposing duty of confidentiality on the person accessing the information).

D. Semiconductor Integrated Circuits Layout-Design Rights

The term "layout-design right" means a right created when the creation of a layout-design is registered with the Commissioner of the KIPO. The term "layout-design" means a design of laying out various circuit elements and wires connecting such elements in two or three dimensions for manufacturing a semiconductor integrated circuit. The term "semiconductor integrated circuit" means a semi-finished or finished product that has been manufactured to function as an electronic circuit through a process of integrating circuit elements, including one or more active elements, and wires connecting such elements onto the surface of any semiconductor or insulating material, or into semiconductor material, in an inseparable form.

Layout-design rights are created when the creation of a creative layout-design is registered (Article 6). The duration of a layout-design right shall be ten years from the date of registration of creation thereof (Article 7). A "holder of a layout-design right" shall have an exclusive right to use the layout-design for profit (Article 8).

E. Plant varieties protection right

The term "plant varieties protection right" means a right which is granted to a person entitled to protection of varieties under the Protection of New Plant Varieties Act. The holder of plant varieties protection right shall have an exclusive right to work, as a business, the protected varieties (Article 56).

3. Remedies for IPRs Infringement

A. Civil remedies

Civil remedies for IPRs infringement include injunctions to stop or prevent infringement, damages, and restoration of business reputation.

1) Industrial property right infringement cases

A) Claim for injunctions to stop or prevent infringement

(1) Meaning

A right holder or his/her exclusive licensee may demand a person who infringes or is likely to infringe the right or exclusive license to stop or prevent such infringement (Article 126 of the Patent Act, Article 113 of the Design Protection Act, and Article 65 of the Trademark Act). Claim for injunction can be made when an industrial property right is, or is likely to be, infringed on but intent or negligence of the infringer is not required. When seeking injunction, the right holder or exclusive licensee may demand measures necessary for the prevention of such infringement including the disposal of products constituting such act of infringement and the removal of facilities used for the act of infringement.

After amendment of the Trademark Act on December 2, 2011, however, where an action is brought to request the discontinuance or prevention of infringement under paragraph (1), the court may provisionally order the discontinuance of the relevant act of infringement, confiscation of items, etc. used for the relevant act of infringement, or other necessary measures, upon the request of the plaintiff or complainant (limited to cases in which a public action is instituted pursuant to this Act) (Article 65 (3) of the Trademark Act).

(2) Acts deemed to constitute infringement

Any of the following acts, if conducted as business, shall be deemed to constitute infringement on of a patent right or exclusive license: Where a patent has been granted for an invention of a product, act of making, assigning, leasing, importing, or offering for assignment or lease, products used exclusively for producing such patented products; where a patent has been granted for an invention of a process, act of making, assigning, leasing, importing, or offering for assignment or lease, products used exclusively for working such patented process (Article 127 of the Patent Act).

An act of making, assigning, leasing, importing, or offering for assignment or lease, products used exclusively for producing articles concerning a registered

utility model shall be deemed to constitute infringement of utility model right or exclusive license (Article 29 of the Utility Model Act).

An act of making, assigning, leasing, importing, or offering for assignment or lease, articles used exclusively for producing articles concerning a registered design or a similar design shall be deemed to constitute infringement of design right or exclusive license (Article 114 of the Design Protection Act).

An act of using a trademark identical to a registered trademark of another person on the goods similar to the trademark's designated goods, or using a trademark similar to the registered trademark of another person on the goods identical or similar to the trademark's designated goods shall be deemed to constitute infringement on of trademark right or exclusive license (Article 66 of the Trademark Act).

B) Claim for damages

Any person who infringes on another person's industrial property right, intentionally or negligently, shall be bound to make compensation for damages arising therefrom (Article 750 of the Civil Act). Infringement on industrial property right is a tort under the Civil Act, so the claim for damages in this case is a damage claim for tort. This claim differs from that for injunction in terms of requirements, in that this claim requires the infringer's intent or negligence, occurrence of damages, and causation between the infringing act and damages, as well as an infringing act.

Damages are classified into active damages, passive damages (lost profit, which is the additional profit that would have been made but for the infringement), and consolation money (damages for pain and suffering). Passive damages include damages under the general principle of Civil Act (Article 750 of the Civil Act) and damages under special provisions of industrial property right laws (Article 128 of the Patent Act, Article 115 of the Design Protection Act, and Articles 67 and 67-2 of the Trademark Act).

C) Claim for restoration of business reputation

A person who has injured business reputation of a holder of industrial property right by infringing on such right may be requested to take necessary measures to restore the business reputation in lieu of or in addition to the damages (Article 131 of the Patent Act, Article 117 of the Design Protection Act,

and Article 69 of the Trademark Act). Measures necessary to restore business reputation include explanatory announcement. Forced announcement of apology is not allowed as it was decided unconstitutional.

Whether intent or negligence is required here can be controversial but it would be reasonable to decide that, without intent or negligence, there is no claim for restoration of business reputation. The intent or negligence is about the industrial property right infringement, not about the result of injury to business reputation.[6)]

For this claim to be recognized, not only infringement on of industrial property right but also degradation of business reputation has to be found. Therefore, this claim is rarely recognized in litigation on industrial property right infringement.[7)]

2) Copyright Act-protected right infringement cases

A) Claim for injunction to stop infringement

(1) Meaning

Any person who holds a copyright or other rights protected under the Copyright Act (excluding the right to be compensated) may demand a person infringing on his/her rights to stop the infringement, and demand a person potentially attempting to infringe on his/her rights to take preventive measures or to provide a security for compensation for possible damages (Article 123 (1)). A right holder, when seeking injunction to stop infringement, may demand destruction of the goods made by the act of infringement, or other necessary measures (Article 123 (2)).

In the cases where a demand is made for suspension of infringement or for disposal of infringing goods, or in the case where a criminal indictment under the Copyright Act has been filed, on an application of a plaintiff or an accuser, the court may, with or without imposing provision of a security, issue an order to temporarily cease the act of infringement, seize the goods made by the act of infringement, or take other necessary measures (Article 123 (3) of the Copyright Act). Where a provisional measure is ordered and then a judicial decision is

6) *See* Sang-Jo Jeong & Seong-Su Park, Commentaries on Patent Act II, Pakyoungsa Publishing, 2010, p319.

7) *See* Supreme Court Decision 2006Da22722 decided Nov 13, 2008.

finalized to the effect that there was no infringement on a copyright or other rights protected under the Copyright Act, the movant shall pay compensation for the damages caused by his/her motion (Article 123 (4)).

(2) Acts deemed to constitute infringement

Any of the following shall be deemed as an infringement on copyrights or other rights protected under this Act: 1. the importation into Korea, for the purpose of distribution therein, of goods which would constitute an infringement on copyrights or other rights protected under the Copyright Act, if they were made in Korea at the time of such importation; 2. the possession, for the purpose of distribution, of goods produced by any act that constitutes an infringement on copyrights or other rights protected under the Copyright Act with the knowledge of such infringement; and 3. the use for business of copies of a program produced by infringing on the copyright of the program by a party who acquired it with the knowledge of such infringement. Any act of using a work in a manner defaming the honor of its author shall be deemed to constitute infringement of his/her moral rights (Article 124).

B) Claim for damages

This is the same as in the case of industrial property right infringement, in principle. However, there are separate provisions governing calculation of damages (Articles 125, 125-2, and 126 of the Copyright Act).

C) Claim for restoration of reputation

An author or performer may demand a person having intentionally or negligently infringed on the author's or performer's moral right to take measures necessary to restore his/her reputation in lieu of or along with compensation for damages (Article 127).

3) Unfair competition or trade secret infringement cases

A) Claim for discontinuing or refraining from infringement (Articles 4 and 10)

(1) Meaning

A person whose business interest is injured or threatened by an act of unfair competition may file a request, with the court, for prohibition or prevention against any person who conducts or intends to conduct an act of unfair

competition (Article 4 (1)).

An act of unfair competition includes ① an act of causing confusion with another person's goods, ② an act of causing confusion with another person's commercial facilities or activities, ③ an act of injuring distinctiveness or reputation, ④ an act of falsely indicating the place of origin, ⑤ an act of causing misunderstanding on the place of origin, ⑥ an act of imitating the shape of goods, and ⑦ other acts of general unfair competition. The term "general unfair competition" means any other act of infringing on another persons' economic interests by using the outcomes, etc. achieved by that persons' substantial investment or efforts, for one's own business without permission, in a manner contrary to fair commercial practices or competition order. This "general unfair competition" clause was newly enacted by the Act No. 11963, Jul. 30, 2013.

A person who possesses trade secrets may file a request, with the court, for prohibition or prevention of infringement against any person who infringes or is likely to infringe trade secrets, if business interests of the person who possesses the trade secrets is damaged or is likely to be damaged by such infringement. (Article 10 (1)).

Acts of trade secret infringement include ① an act of acquiring trade secrets by improper means, or subsequently using or disclosing the trade secrets improperly acquired, ② an act of acquiring trade secrets or using or disclosing the trade secrets improperly acquired, with knowledge of the fact that an act of improper acquisition of the trade secrets has occurred or without such knowledge due to gross negligence, ③ an act of using or disclosing trade secrets after acquiring them, with knowledge of the fact that an act of improper acquisition of the trade secrets has occurred or without such knowledge due to gross negligence, ④ an act of unfair use or disclosure by a person obligated to maintain confidentiality, ⑤ an act of acquiring trade secrets, or using or disclosing them with the knowledge of the fact that they have been unfairly used or disclosed by a person obligated to maintain confidentiality, or without such knowledge due to gross negligence, and ⑥ an act of using or disclosing trade secrets after acquiring them, with the knowledge of the fact that they have been unfairly used or disclosed by a person obligated to maintain confidentiality, or without such knowledge due to gross negligence.

When a person files a request for prohibition or prevention of infringement, he/she may also request destruction of the goods that promote an act of unfair

competition, removal of the facilities used during an act of unfair competition, cancellation of registration of the domain name which is the object of an act of unfair competition, and any other measures necessary to prohibit or prevent an act of unfair competition (Articles 4 (2) and 10 (2)).

B) Claim for damages (Article 5 and 11)

This is the same as in the case of industrial property right infringement, in principle. However, the claim for damages due to the act of doing damage to distinctiveness or reputation attached to a mark indicating another person's goods or business, which is widely known in Korea (an act of unfair competition under Article 2 1 (C)) shall be limited to intentional acts (Article 5 of the Unfair Competition Prevention Act).

C) Claim for restoration of business reputation (Articles 6 and 12)

This is the same as in the case of restoration of business reputation due to industrial property right infringement. However, the claim for restoration of business reputation due to the act of doing damage to distinctiveness or reputation attached to a mark indicating another person's goods or business, which is widely known in Korea (an act of unfair competition under Article 2 1 (C)) shall be limited to intentional acts (Article 5 of the Unfair Competition Prevention Act).

4) Layout-designs right infringement cases

(1) Claim for cessation or prevention of infringement (Article 35)

The holder or exclusive licensee of layout-design right has the right to demand a person who has infringed or is likely to infringe on the right or exclusive license to cease such infringement or take preventive measures; The holder or exclusive licensee, when making the above-mentioned demand, may also demand destruction of semiconductor integrated circuits or similar products already produced by way of the infringement or other measures to prevent the infringement.

(2) Claim for damages (Article 36)

Where the accused infringer has made a profit as a result of the infringement, such profit shall be presumed to be the amount of damage suffered by the right

holder or exclusive licensee. The pecuniary amount which he/she would normally be entitled to receive for the use of the layout-design may be claimed as the amount of damage suffered by the right holder or exclusive licensee. However, there is no such damage calculation provision as Article 128 (1) of the Patent Act in the Act on the layout-designs of semiconductor integrated circuits.

5) Plant varieties protection right infringement cases

A) Claim for cessation or prevention of infringement (Article 84)

The holder or exclusive licensee of plant varieties protection right may demand a person that infringed on such right or has risk of doing so to cease or prevent the infringement. Such holder or exclusive licensee, when making the above-mentioned demand, may demand destruction of articles forming the infringing act, removal of facility provided in the infringing act, and other measures necessary to prevent the infringement.

(1) Claim for damages (Article 85)

The holder or exclusive licensee of plant varieties protection right may claim damages against a person that infringed on such right intentionally or negligently. Articles 128 and 132 of the Patent Act shall apply mutatis mutandis to this claim.

(2) Claim for restoration of business reputation (Article 87)

With respect to a person injuring business reputation of the holder or exclusive licensee of plant varieties protection right by infringing on the plant varieties protection right or exclusive license thereof intentionally or negligently, the court may, upon request of such holder or exclusive licensee, order measures necessary to restore business reputation in lieu of or along with damages.

B. Criminal remedies

1) Industrial property right infringement cases

Any person who infringes on a patent right, utility model right, design right, trademark right, etc. shall be punished by imprisonment not exceeding seven years or by a fine not exceeding 100 million won (Article 225 (1) of the Patent Act, Article 45 (1) of the Utility Model Act, Article 220 (1) of the Design Protection Act, and Article 93 of the Trademark Act).

2) Copyright Act-protected right infringement cases

Any person who infringes on an author's property right or property rights protected under the Copyright Act (excluding database producer's right) may be punishable by imprisonment for no more than five years or a fine of no more than 50 million won, or both (Article 136 (1) 1). Any person who has defamed an author or performer by infringing on the author's or performer's moral rights may be punishable by imprisonment for no more than three years or a fine of no more than 30 million won, or both (Article 136 (2)). Any person who has made a work public under the real name or pseudonym of a person other than the author shall be punished by imprisonment for a term of no more than one year or a fine of no more than 10 million won (Article 137). Any person who has not indicated the sources in violation of his/her duty to do so shall be punished by a fine of no more than 5 million won (Article 138).

3) Unfair competition or trade secret infringement cases

Any person who engages in an act of unfair competition (excluding registration of domain name, imitation of shape of goods, or general unfair competition) shall be punished by imprisonment for no more than three years or by a fine not exceeding 30 million won (Article 18 (3)). Any person who has acquired, used, or disclosed to a third party, trade secrets for the purpose of making an illegal profit or causing damage to the holder of trade secrets shall be punished by imprisonment for no more than five years or by a fine not exceeding 50 million won. However, if the infringing act mentioned above occurs overseas, the relevant person shall be punished by imprisonment not exceeding ten years or by a fine not exceeding 100 million won (Article 18 (1) and (2)).

4. Overview of IPRs Litigation

A. Types and contents of litigation

1) Civil Action

A) Civil Action on the Merits

(1) Types

Civil action on the merits of a case includes ① a lawsuit demanding a person who infringes, or is likely to infringe, on an intelelctual property right to cease or

prevent the infringement, ② a lawsuit claiming damages due to an intellectual property right infringement, ③ a lawsuit claiming measures to restore business reputation in lieu of or along with damages, based on injury to business reputation by industrial property right infringement or based on infringement on author's or performer's moral right by intent or negligence, ④ a lawsuit demanding transfer, establishment or deletion of IPR, ⑤ a lawsuit claiming compensations for employee inventions, ⑥ a lawsuit concerning licensing agreement, and ⑦ a lawsuit for damages due to (resulting from) unjust preliminary injunction[8].

(2) Level of courts

Lawsuits demanding cessation of infringement or payment of money in the amount of 100 million won or more are handled by a three-judge panel of a district court (including its branches) and lawsuits demanding payment of money in the amount less than 100 million won are handled by a single judge of a district court (including its branches).

District courts sitting in locations (Seoul, Daejeon, Daegu, Busan, and Gwangju) having high courts that preside over jurisdictional courts under Articles 2 through 23 of the Civil Procedure Act, are granted overlapping jurisdiction (Article 24 of the Civil Procedure Act).

Appeals to three-judge panel cases are handled by high courts and those to single-judge cases are handled by appellate divisions of regular district courts. Final appeals are handled by the Supreme Court.

B) Preliminary Injunction

(1) Meaning and nature

8) The legal doctrine on damages resulting from unjust preliminary injunction is as follows: Enforcing a preliminary injunction, though it is by a ruling of the court, is placed under the responsibility of the petitioner based on simplified proof and leaving the issue whether there exists a substantive claim to be decided by the acton on the merits. Thus, if the petitioner ultimately loses the action on the merit after enforcement of the injunction, the petitioner shall be deemed, unless rebutted, to have intent or negligence as to the preliminary injunction respondent's damages redulting from the enforcement and is responsible for such damages. The petitioner may avoid liability by proving that there was no intent or negligence. B contraast, Article 123 (4) of the Copyright Act imposes liability even without intent or negligence (no-fault liability).

This is a preservatory measure that determines a temporary status prior to an on-the-merit, finalized judgment on the claim for cessation of IPR infringement and an executory injunction. Since the respondent of the preliminary injunction is faced with a risk of grave damages due to complete ban on his/her economic activities concerning the product in dispute when a preliminary injunction is issued, great caution is exercised. Caution with preservatory measures does not mean excessive review; it is handled in a speedy manner.

(2) Requirements

For a preliminary injunction to be issued, there has to be a right to seek preservation (or more precisely, right to be preserved), and the necessity for preservation must be recognized. The right to seek preservation requires injunction petitioner's claim for cessation. The claim for cessation is recognized only if there is an infringement, or risk thereof, concerning an intellectual property right. When a patented invention lacks novelty, it is deemed that there is no right to seek preservation. The necessity for preservation has to be decided by the court's reasonable discretion after considering the interests of both parties, reasonable likelihood of success on the merits, and other circumstances.[9)]

2) Criminal litigation

For an IPR infringement to be punishable, objective and subjective requirements have to be met. The objective requirement is the same as in the civil claim for cessation of infringement. For an infringer to be criminally liable, the subjective requirement of intent (scienter) has to be satisfied. Here, it is different from civil liability in terms of requirements.

Prosecution for offenses of infringement (excluding habitual offense) on patent right, utility model right, design right, or author's property right and prosecution for offenses of confidentiality order violation shall be initiated upon filing of a complaint by an injured party. Prosecution for offenses of trademark right infringement, unfair competition, and trade secret infringement may be initiated without filing of a complaint by an injured party, however.

3) Administrative litigation

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9) *See* Supreme Court Decision 92Da40563 decided Feb 12, 1993 et al.

A) Administrative litigation subject to Patent Court's exclusive jurisdiction

Administrative litigation subject to Patent Court's exclusive jurisdiction includes ① a lawsuit against the Intellectual Property Trial & Adjudication Board's ("IPTAB") decision on invention, utility model, design, trademark or against the IPTAB's dismissal of petition for trial or retrial (Article 186 (1) of the Patent Act, Article 33 of the Utility Model Act, Article 166 (1) of the Design Protection Act, and Article 85-3 (1) of the Trademark Act), ② a lawsuit on the decision of the Adjudication Committee on Geographical Indications concerning geographical indications (Article 54 (1) of the Agricultural & Fishery Products Quality Control Act), and ③ a lawsuit on the decision of the Adjudication Committee on Plant Varieties Protection concerning plant varieties (Article 103 (1) of Protection of New Plant Varieties Act).

Patent Court proceedings are administrative litigations and, unless otherwise set forth in other Acts, shall be governed by the Administrative Litigation Act. Other Acts include Patent Act, Utility Model Act, Trademark Act, and Design Protection Act. As for matters not otherwise set forth in the Administrative Litigation Act, Court Organization Act, Civil Procedure Act and Civil Execution Act shall be applied mutatis mutandis.

B) Administrative litigation subject to administrative courts' jurisdiction

Administrative litigation subject to administrative courts' jurisdiction include ① a lawsuit appealing compensations in the IPTAB decision or ruling under Article 41 (3) (Prohibition on overseas patent application or order of confidentiality), Article 41 (4) (Patent not granted or right to patent expropriated), Article 106 (3) (Expropriation of patent right), or Article 106-2 (3) (Working of patented invention by the government, etc.) (See Article 190 of the Patent Act),[10] and ② a lawsuit on the KIPO's administrative acts, involving, for example, return of documents (Article 11 of the Patent Act Enforcement Regulation), non-permission of period extension (Article 15 (1) & (2) of the Patent Act), invalidation of procedure (Article 16 (1) of the Patent Act), expropriation of

10) Concerning the consideration to be paid under Article 110 (2) 2 (Ruling of establishing non-exclusive license) and Article 138 (4) (Grant of non-exclusive license), however, an influential view is that a litigation wherein a person issued an IPTAB decision or ruling appeals the consideration is a civil litigation (Opposing views exist).

patent right (Article 106 of the Patent Act), ruling on establishment of non-exclusive license (Article 107 of the Patent Act), or non-permission of document inspection (Article 216 of the Patent Act).

B. Procedural Matter in Cancellation Litigation

1) Procedure in Actions to Cancel the Intellectual Property Trial & Appeal board ("IPTAB")'s decisions

A) Subject Matter of Cancellation Action

An action to cancel or revoke may be filed concerning IPTAB's decisions or concerning a dismissal of petition for trial or retrial. IPTAB trials include ex parte proceedings such as trial against ruling of refusal or trial for post-grant amendment, and inter partes proceedings such as invalidation trial, trial to confirm the scope of a right, trial for granting non-exclusive license.

[Types of IPTAB trials according to rights]

Types of trial \ Classification		Patent	Utility model	Design	Trademark
Dispute with KIPO	Appeal to refusal	○	○	○	○
	Appeal to dismissal of amendment			○	○
	Post-grant amendment	○	○		
Dispute between private parties	Invalidation of registration	○	○	○	○
	Invalidation of post-grant amendment	○	○		
	Revocation of registration				○
	Declaration (Confirmation) of scope of right	○	○	○	○

B) Filing of lawsuit; parties to lawsuit

(1) Deadline for filing a lawsuit

Filing of lawsuit shall be made within 30 days of the date on which a certified copy of the IPTAB decision is served. However, the presiding administrative

judge may determine any additional period for the benefit of a person residing in a remote area or area with poor transportation (Article 186 of the Patent Act, etc.). If the 30th date falls on a Saturday or Workers' Day, the deadline shall be that date.

(2) Standing

Only a losing party, a participant, or a person denied participation in the IPTAB trial can file a lawsuit as plaintiff. In a cancellation appeals from the IPTAB's adverse decision in ex parte cases, the Commissioner of KIPO becomes the defendant. And in a cancellation appeals from the IPTAB's adverse decision in inter partes cases, the prevailing party of the IPTAB decision becomes the defendant.

As for jointly-held IPRs, a petition for IPTAB trial shall be filed by (e.g., appeal to refusal, or petition for post-grant amendment) or against (e.g., petition to invalidate a jointly-held patent right) all joint-holders. A lawsuit to revoke IPTAB decision can be filed by a joint-holder but has to be filed against all joint-holders.

C) Subject of litigation and scope of trial

The subject of a litigation to revoke IPTAB decision is its substantive or procedural illegality. In a case originating from ex parte IPTAB trials, a trial shall be limited to the grounds of refusal for which the KIPO examiner granted an opportunity to submit opinions or the grounds for which the IPTAB granted an opportunity to submit opinions. Patent Court may not make a determination adverse to the plaintiff by examining any new matters for which the examiner or IPTAB did not grant an opportunity to submit opinions.

In a case originating from inter partes IPTAB trials, a party may allege and prove matters not decided in an IPTAB decision, and the Patent Court may examine and decide them without limitation and issue a judgment based thereon.

D) Characteristics of litigation procedure

(1) Level of courts

A litigation to revoke IPTAB decision is an administrative litigation of the first instance, not an appellate proceeding to IPTAB's trial. The Patent Court is

not an appellate forum to the IPTAB.

(2) Designation and conduct of trial dates

Notwithstanding some differences depending on the nature of case and the court, the general practice is as follows. Before designation of trial dates, both parties engage in a written exchange. In patent or utility model cases, dates are designated after the plaintiff's filing of complaint and evidences, the defendant's filing of answer and evidences, and the plaintiff's filing of rebuttal briefs and evidences. In trademark or design cases, dates are designated after the plaintiff's filing of complaint and evidences and the defendant's filing of answer and evidences.

If it is necessary to examine evidences or frame issues in advance of the trial date, a trial preparation date shall be designated.

Multiple cases are tried on a single date. The duration of trial of a case on a single date is generally between one hour and one and a half hours for patent or utility model cases, and between 20 and 40 minutes for trademark or design cases.

Allegations and arguments of the parties have to be completed on a single trial date in principle but, if necessary, the date may be continued. Each party is granted an opportunity to make sufficient allegations, explain his/her evidences, and rebut the opposing party's allegations and evidences.

(3) Technical Advisor

The court, if it is deemed necessary, shall have a technical advisor participate in the trial of a litigation (Article 54-2 (2) of the Court Organization Act). A technical advisor, with the presiding judge's permission, may ask those involved in the litigation about technical matters and state his/her opinions in the settlement procedure of the case (Article 54-2 (3) of the Court Organization Act).

(4) Expansion of power to represent parties in litigation

Patent attorneys, in addition to attorneys-at-law, are allowed to represent parties in a litigation here.

E) Basic principles on the trial of litigation

(1) Burden of allegation and burden of proof

(A) Burden of allegation

If a party fails to state a fact of element with specificity that is the basis for applying a law to him/her advantage, the court cannot issue a judgment based on such fact. Except for matters subject to *ex officio* examination, a party has to state a specifical fact that is the basis of applying a law benefitting him/her.

(B) *Ex officio* examination

The court, if it is deemed necessary, may examine evidence *ex officio* but may not decide matters not stated by the parties. The court may only examine the evidence concerning a matter mentioned in the litigation records and decide based thereon *ex officio*, plus only when it is deemed necessary and only within the scope of claim.

(C) Allocation of burden of proof

① Cancellation Actions from the IPTAB's decisions in ex parte cases

Patentability has to be proved by the plaintiff (applicant), and bar to patentability has to be proved by the defendant (KIPO Commissioner).

② Cancellation Actions from the IPTAB's decisions in inter partes cases

Patentability has to be proved by the patentee, and bar to patentability has to be proved by the person petitioning for invalidation thereof. Where a patentee files a lawsuit to revoke a adverse IPTAB decision, the defendant has to respond thereto and allege and prove bar to patentability.

(2) In-court admission of facts and deemed admission of facts

The principle of party-led findings of fact applies to litigation to cancel or revoke a IPTAB decision, so parties' admission as to the material facts is possible. Such admission can only apply to matters of fact (e.g., elements of invention, or use of trademark) but not to matters of law (novelty, inventive step, or mark similarity). If the defendant neither submits an answer nor attends the proceeding, he/she shall be deemed to admit the facts alleged by the plaintiff.

F) End of litigation

(1) End of litigation due to the party's actions

(A) Withdrawal of lawsuit

The plaintiff may withdraw a lawsuit to cancel or revoke a IPTAB decision until the court's judgment becomes final. A lawsuit, when withdrawn, is deemed to have never been pending in a court and the relevant IPTAB decision becomes final. Consent of the defendant is not required until he/she responds to the lawsuit but, after he/she makes a written submission on the merit of the case or makes a statement in the preliminary procedure or argues in the trial procedure, withdrawal of the lawsuit is effective only if the defendant consents.

If neither party attends, or the attending party fails to argue on, a trial date and the same happens on the following trial date, unless a motion to designate a date is made within one month thereof, the lawsuit shall be deemed withdrawn.

(B) Withdrawal of final appeal

When a final appeal is withdrawn, litigation ends and the Patent Court judgment becomes final. Withdrawal of final appeal does not require consent of the opposing party.

(C) Withdrawal of petition for IPTAB trial

A petition for IPTAB trial may be withdrawn until the IPTAB decision becomes final, but the consent of the opposing party has to be obtained if an answer has been submitted. When a petition for IPTAB trial is withdrawn, it shall be deemed that such petition has never been made. If such petition is withdrawn during a trial to cancel or revoke a IPTAB decision, the cancellation action no longer has any interest of claim (Such litigation does not automatically end in the above-mentioned situation).

(2) End of Patent Court litigation due to its ruling

(A) Order to dismiss complaint

Where any mandatory item of a complaint is missing, or revenue stamp is not attached thereon, or a copy of the complaint cannot be served on the defendant, the presiding judge shall order rectification within a reasonable period but, if the plaintiff fails to do so, shall dismiss the complaint.

(B) Judgment

If the deadline for filing a lawsuit is elapsed or there is a defect in the party's standing or interest of claim, a judgment dismissing the lawsuit shall be issued.

If there is no ground for revoking IPTAB's adjudication or dismissal, a judgment dismissing the plaintiff's claim shall be issued. If there is any ground for revoking IPTAB's adjudication or dismissal, a judgment accepting the plaintiff's claim and revoking the IPTAB's adjudication or dismissal shall be issued.

The court handling a litigation to revoke IPTAB decision, after examination of procedural and substantive illegalities thereof, shall issue a judgment dismissing the claim or, if it intends to accept the plaintiff's claim, issue a judgment revoking IPTAB decision, but may not declare a patent, etc. invalid.

(3) Appeal to Patent Court judgment

A judgment by the Patent Court can be appealed by submitting a written appeal to the Patent Court within two weeks of the date on which an authentic copy of the judgment is served.

2) Effect of a finalized judgment and IPTAB decision

A) Effect of a finalized judgment

When a judgment revoking an IPTAB decision becomes final, the IPTAB decision loses effect without a separate action of the IPTAB. When a Patent Court judgment revoking IPTAB's adjudication or dismissal becomes final, the IPTAB has to re-examine the case and issue an IPTAB decision, in which case the basic reasoning of the judgment for the revocation shall bind the IPTAB in the case (Article 189, etc. of the Patent Act).

B) Effect of a finalized IPTAB decision: Non bis in idem

When an IPTAB decision becomes final, no person can demand a second trial concerning the case based on the same facts and evidences (Article 163, etc. of the Patent Act). This is to prevent contradictions and repeated trials. The term "same evidence" includes one that is not powerful enough to reverse the finalized IPTAB decision as well as one which is the same as that of the finalized IPTAB decision. The scope of non bis in idem is limited to that which is mentioned and rejected in the reasoning of the IPTAB decision.

C. Practice in IPR infringement litigation

1) Designation and conduct of trial dates

Before a trial date is designated, a written exchange by the parties is

conducted. When the plaintiff's filing of complaint and evidences, the defendant's filing of answer and evidences, and the plaintiff's filing of rebuttal briefs and evidences are completed, a trial date is designated.

A trial date has to be designated in principle but, if it is necessary to examine evidences or frame issues in advance of the trial date, a trial preparation date shall be designated. Trial preparation dates are frequently, conducted here because the issues are more complicated and evidences are more diverse than in the litigation to revoke an IPTAB decision.

2) Examination of evidences

A) Order to submit documents

An order to submit documents is the court's decision ordering a document-holder (litigation party or a third party) obligated to submit documents to submit them. If a party moves for an order to submit documents, the court shall grant the opposing party an opportunity to state his/her opinion.

A motion for an order to submit documents requires specifying the indication of the document, purport of the document, holder of the document, facts to be proved, and grounds of an obligation to submit the document, as set forth in Article 345 of the Civil Procedure Act.

The court, if it decides that a party's motion for submission of documents is justified, may order the holder thereof to submit them (Article 347 (1)). If a party fails to follow an order to submit documents, the court may treat the opposing party's allegations concerning contents thereof as true (Article 349).

Documents to be submitted include documents cited in the litigation, documents for which a party has the right to ask the holder thereof to transfer or grant perusal, documents prepared for the benefit of a party, documents prepared as to a legal relationship between the parties, or other general documents. If any document prepared for the benefit of a party, document prepared as to a legal relationship between the parties, or other general document contains any business secret and the obligation of confidentiality is not exempted, the holder thereof may refuse to submit it {See Article 344 (1) 3 (C)}.

B) Order to submit documents

In an IPR infringement litigation, the court, upon a party's motion, may order the other party to submit any document necessary to calculate damages due to

the relevant infringing act, unless the person possessing the document has a justifiable ground to refuse to do so (Article 132 of the Patent Act, Article 70 of the Trademark Act, Article 118 of the Design Protection Act, and Article 14-3 of the Unfair Competition Prevention Act).

Unfair Competition Prevention Act requires submission of 'materials,' not 'documents,' thus expanding the scope thereof. The scope of documents to be submitted here, unlike the general order to submit documents, is limited to those necessary to calculate damages.

C) Order to provide information (Article 129-2 of the Copyright Act)

In litigation over the infringement of copyrights or other rights protected under the Copyright Act, upon request by a party concerned, the court may order the other parties concerned to present any of the following information that he/she holds or knows if it is deemed necessary to gather evidence: 1. Information that may identify a party involved in the infringement or production and distribution of illegal copies; 2. Information about routes of production and distribution of illegal copies (Paragraph 1).

The other party concerned may decline to provide the information, in the case that it is to protect trade secrets, or there is other justifiable reason to decline such an order (Paragraph 2). In the case that the other party concerned fails to comply with the order of information provision without any justifiable reason, the court may recognize that the argument of the information by the party concerned is true (Paragraph 3). The court may demand relevant information of the other party concerned if it is deemed necessary to see if there is a justifiable reason. In such a case, the information shall not be revealed to anybody else, unless it is particularly necessary to listen to the opinion of the party concerned who requested such information or his/her agent to confirm whether there is a justifiable reason (Paragraph 4).

3) Expert examiner

An expert examiner, an outside expert designated by the court, participates in the litigation and states his/her explanations or opinions based on his/her specialized knowledge and experiences, thereby helping achieve a well-grounded examination and speedy dispute resolution. The court utilizes expert examiners to clarify issues of the litigation or smoothly conduct the litigation

procedure.

The court can either have an expert examiner submit, in advance and outside the trial date, a written explanation or opinion and utilize it in the trial, or have an expert examiner attend the trial and state his/her explanation or opinion. An expert examiner may directly ask a person related to the litigation (e.g., party, witness, and expert witness) questions, on the trial date with the presiding judge's permission. The court, concerning written materials submitted, or explanation or opinion made, by an expert examiner, shall give the parties an opportunity to state an oral or written opinion.

4) Protection of trade secret in litigation procedure

A) Restriction on perusal, etc. for protection of trade secret (Article 163 of the Civil Procedure Act)

Where any trade secret possessed by either party is stated in litigation records, the court, upon such party's request, may only allow the parties of the litigation to request perusal or copying of litigation records containing trade secret or request issuance of authentic copies, certified copies or abridged copies of court decisions or protocols containing trade secret (hereinafter 'perusal, etc. of the part containing trade secret').

B) Order of Confidentiality

Where any brief, etc. submitted by a party in an IPR infringement litigation contains trade secret and disclosure thereof could interfere with the party's business, the court, upon the party's request, may order any person who becomes aware of the trade secret not to use it for any purpose other than conduct of the litigation (Article 224-3 of the Patent Act, Article 217 of the Design Protection Act, Article 92-7 of the Trademark Act, Article 14-4 of the Unfair Competition Prevention Act, and Article 129-3 of the Copyright Act).

Any person violating the court's confidentiality order, mentioned above, shall be punishable by imprisonment of five years or less or fine of 50 million won or less (Article 229-2 of the Patent Act, Article 49-2 of the Utility Model Act, Article 224 of the Design Protection Act, Article 96-2 of the Trademark Act, Article 136 (1) of the Copyright Act, and Article 18-4 of the Unfair Competition Prevention Act).

C) Motion for an order to submit documents; trade secret

The holder of any document containing trade secret may refuse to submit it to the court. The court, when ordering the holder to submit such document to decide whether the holder is obligated to submit it, shall make such document unavailable to other persons (Article 347 (4) of the Civil Procedure Act).

D) Motion for submission of documents; trade secret

Unnecessary disclosure of trade secret is prevented by in camera procedure under Article 347 (4) of the Civil Procedure Act or by mutatis mutandis application of order of partial submission under Article 347 (2) of the same Act.

E) Motion for an order to provide information; trade secret (Article 129-2 of the Copyright Act)

The party ordered to provide information may refuse the order in order to protect trade secret. The court, unless it is necessary to hear the opinion of the party moving for provision of information or agent thereof to decide whether the trade secret needs protection, may not disclose the provided information to anyone.

Decisions

Patent Court Decision 2013Heo3418 decided Jan 10, 2014.

Cheon-Woo Son, Patent Court Judge

[Summary of Decision]

Although a new composition was added to another person's technology which one became aware of during supply of goods and a patent was registered, as the added composition was merely a commonly-adopted technical composition, cannot be deemed to have substantially contributed to creating an invention's technical idea as it had no special effect, and the person cannot be deemed an inventor, the person in question was not 'a person who makes an invention' under Article 33 (1) of the Patent Act.

[Held]

1. Facts

The defendant, a company producing lead compounds from smelting, decided to introduce scrap battery dissembly equipment from NGTEC of Italy and on May 2, 2003 entered into the scrap battery dissembly equipment purchase and technology transfer contract with NGTEC. Around November of 2003, the defendant received from NGTEC derived inventions 1 and 2 (manuals on battery shredding and separating equipment), CAD files (layout plan of the entire equipment) and some printed-out drawings, and some of the equipment itself and, to manufacture equipment not provided by NGTEC, entrusted multiple contractors to manufacture such equipment. The plaintiff, one of the contractors, in order to make a factory layout plan, received from the defendant CAD files (drawings of scrap battery shredding and separating equipment) and then, based on the technology of the supplied equipment, applied for patent registration for the invention of this case.

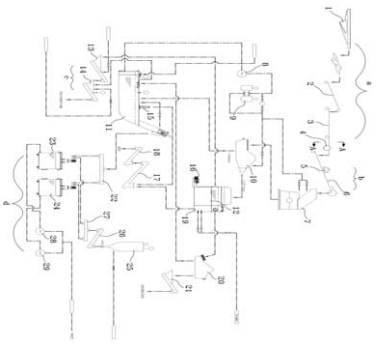
2. Basis of Decision

Article 33 (1) (main text) of the Patent Act provides that a person who makes an invention or his/her successor has the right to be granted patent pursuant to Patent Act, and Article 133 (1) 2 of the same Act provides that when a person without such right under Article 33 (1) (main text) applies for and is granted patent, the patent is void. Article 2 Subparagraph 1 of the Patent Act defines invention as advanced creation of technical idea using natural laws, and a person making an invention under Article 33 (1) of the Patent Act is such person. So even if a person who is neither an inventor nor a successor to right to be granted patent (non-right holder) partially changes the composition of an inventor's invention and the technical composition becomes different, unless the change substantially contributes to creation of technical idea (e.g., addition, deletion or change of the technical composition neither exceeds what a person of ordinary skill in the art commonly adopts nor causes any special difference to the invention's effect), application for the patented invention was filed by a non-right holder and thus the registration is void (Supreme Court Decision 2009Hu2463 decided Sep 26, 2011).

3. Reasoning

A. Whether main compositions of Claim 1 invention and of derived inventions 1 and 2 are the same

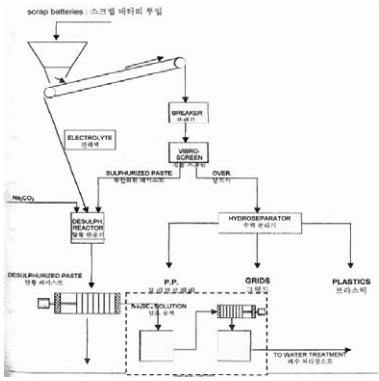
In comparing the plaintiff's Claim 1 invention and the defendant's derived inventions 1 and 2, Claim 1 invention concerns "electrolyte remover that removes scrap battery-contained electrolyte by continuously moving scrap batteries to the cutter (4) installed on one side" and the derived invention No. 1 does not disclose the composition of removing electrolyte before putting scrap batteries into the dissembly



Patented invention of this case
(Block diagram of scrap battery dissembly equipment)

equipment and moving them to the shredder, and the derived inventions No. 2 has a scrap battery disposal process diagram showing that the electrolyte in scrap batteries and the paste sulfuric-acidized through shredder and vibration screen are sent to the desulfurization reactor of scrap battery dissembly equipment, so only the composition of desulfurizing electrolyte leaked from scrap batteries through the desulfurization reactor is disclosed while the composition on specific electrolyte removal method (e.g., whether electrolyte in the scrap battery is removed by sending it to cutter) is not disclosed, and claim limitations 2 through 8 of Claim 1 invention are recognized as substantially the same as that of the derived inventions 1 and 2.

Derived inventions 1 and 2 differ from Claim 1 invention in that they do not have the claim limitation of electrolyte remover (like Composition 1).



Drawings of derived invention No. 2

We will see whether addition of electrolyte remover composition, the above-mentioned difference between Claim 1 invention and derived inventions 1 and 2, is addition of a technical composition commonly adopted by a person of ordinary skill in the art or a substantial contribution to the technical creation of Claim 1 invention. As for prior art on the electrolyte remover of Claim limitation 1, ① removing electrolyte contained in scrap batteries during their dissembly is a basic composition necessary to scrap battery dissembly equipment, and some electrolyte may leak due to damage of scrap batteries before they are put into such equipment and shredded, necessitating its removal, ② the scrap battery disposal process diagram of the derived invention No. 2 describes not only the process of sending to the desulfurization reactor the scrap batteries put into the hopper and the paste sulfuric-acidized through shredder and vibration screen, but the process of gathering electrolyte flowing from the damaged area of scrap battery by the desulfurization reactor and performing desulfurization while the scrap battery put in is moved on the conveyor before entering the shredder, ③ specification for the patent on scrap battery dissembly method disclosed before the patent application date of this case states ‘dissembled battery is recycled per each content, …… waste sulfuric acid

(electrolyte) is disposed by specialized disposal companies, and the existing scrap battery dissembly and recycling method has been developed for convenience of consumers of primary recycled materials. A typical scrap battery dissembly process formerly used …… has the problem of requiring new waste disposal process due to a great amount of waste water. …… further …… in most dissembly methods used in small factories, the top of scrap batteries is cut and internal electrode plate is dissembled manually, wherein separating and collecting electrolyte (waste sulfuric acid) are recognized as major obstacle, and in the dissembly of scrap batteries, initially the side, top or bottom of a scrap battery is punched or drilled and during wait before the cutting, electrolyte of the scrap battery flows down through the punched or drilled hole and gathers in the storage tank, and the electrolyte gathering therein is moved to the waste sulfuric acid disposal process,' ④ inventions on scrap battery recycling method disclosed before the invention's application date discloses that electrolyte (sulfuric acid), for environmental pollution prevention and smooth recycling, is removed and disposed through the waste sulfuric acid disposal process in the scrap battery dissembly, so the method wherein a person of ordinary skill in the art, to remove toxic materials (e.g., sulfuric acid) contained in scrap battery cases, drilling or cutting the case is a means that can be properly selected. Further, as for the technical meaning of electrolyte remover of Claim limitation 1 in the scrap battery dissembly equipment, ① removing of electrolyte is a basic, necessary composition in scrap battery dissembly equipment and frequently while scrap batteries are collected or put in the hopper with crane hook, electrolyte leaks outside due to damage to scrap battery cases, and even if electrolyte is removed for a short period of time through electrolyte remover in the stage before sending of scrap batteries to shredder, it is virtually impossible to remove the electrolyte completely, and the composition of removing electrolyte in the shredding process cannot be omitted even if that of electrolyte remover remains, ② even if electrolyte is partially removed before being sent to the scrap battery dissembly equipment's shredder, some electrolyte remain inside the scrap battery and such electrolyte needs removing in the dissembling of scrap battery through shredder, etc., ③ due to remaining electrolyte, all scrap battery dissembly equipment need to be non-corrosible material that can resist electrolyte (e.g., sulfuric acid) and collect additionally-emitted electrolyte, and the composition to prevent corrosion by electrolyte is already disclosed as the

derived invention No. 1 states that the material of vibrational separator's screen is stainless steel, ④ the electrolyte remover of Claim limitation 1 is only stated as a cutter installed on one side and if the side of a scrap battery is cut, there is a possibility that electrolyte will not be sufficiently removed and if bottom is cut, electrolyte will touch the cutter and cause a high risk of malfunction. So it is difficult to say it has heterogeneous effect in removing electrolyte when compared with drilling or punching used in prior art, ⑤ the scrap battery dissembly equipment supplied by the plaintiff to Sangshin Metal had an electrolyte remover and, given that Sangshin Metal due to problems such as the need for personnel for its maintenance and the increase in cost for replacement and repair of cutter threads modified the equipment on their own so that the electrolyte remover is not necessary, it is difficult to say the electrolyte remover of Claim limitation 1 removes sufficient electrolyte and, even if the composition of electrolyte remover is included, there is need for a separate equipment to remove and collect electrolyte in the disposal process to dissemble scrap batteries, and it is difficult to say the effect of saving cost and time by the electrolyte remover of Claim limitation 1 is great. So it is difficult to say the electrolyte remover of Claim limitation 1 produces a heterogeneous or conspicuous effect compared to the electrolyte-removing composition of derived inventions 1 and 2. Thus, although derived inventions 1 and 2 do not have an electrolyte remover of Claim limitation 1, given that the need for removing electrolyte and the technical idea of desulfurization by collecting electrolyte were already disclosed before the application for Claim 1 invention, it is difficult to grant technical meaning to the electrolyte remover of Claim limitation 1, and when comparing main claim limitation and effect between Claim 1 invention and derived inventions 1 and 2, the electrolyte remover of Claim limitation 1 is nothing but technical Claim limitation commonly adopted by a person of ordinary skill in the art in scrap battery dissembly equipment and cannot be deemed to produce a special effect, it cannot be deemed to substantially contribute to creating the invention's technical idea.

B. Whether the plaintiff is the inventor of Claim 1 invention

① There is no evidence that the plaintiff or Boo Yeong Engineering, run by the plaintiff, before entering into the supply contract of this case with the defendant, engaged in the business of manufacturing and selling scrap battery

shredding and separating equipment or researched a related field, ② the plaintiff asserted, and stated the same before the criminal investigation agency, that it was requested to remake the overall layout plan on the above-mentioned equipment based on the drawings and CAD files received from the defendant, made such plan on the above-mentioned equipment of the defendant and delivered it to the defendant. And although the drawings provided by the defendant did not show the overall layout of the scrap battery dissembly equipment, the plaintiff seems to have acquired specific information on the structure, layout, etc. of various devices composing such equipment (e.g., understanding of CAD files on the scrap battery shredding and separating equipment received from the defendant and operating principles of the defendant's equipment including derived inventions 1 and 2) and then designed the overall layout plan, ③ given that the plaintiff, around April of 2006, about one year and five months after manufacturing the soda ash storing and putting equipment, dehydrated paste mixing and moving equipment, and smelting equipment pursuant to the supply contract of this case and delivering them to defendant around December of 2004, entered into a manufacturing and supply contract with Sangshin Metal for scrap battery shredding and separating equipment, it seems the plaintiff already had data on overall layout and individual composition of the scrap battery dissembly equipment before entering into the supply contract, and ④ given that the plaintiff, while performing the supply contract of this case, inquired A (defendant company's employee) about derived inventions 1 and 2 and received part of the data and, when faced with difficulties while operating the equipment installed in Sangshin Metal, again inquired A and solved the problem, it is difficult to say that the plaintiff made new, substantially inventive contributions to Claim 1 invention or that it reached Claim 1 invention through an R&D independent of the derived inventions 1 and 2, so the plaintiff cannot be deemed to have made actual contributions to creating the technical idea of Claim 1 invention. Thus, the plaintiff is not 'a person who makes an invention' under Article 33 (1) of the Patent Act concerning Claim 1 invention.

C. Conclusion

The plaintiff was granted patent registration for Claim 1 invention which is substantially the same as the defendant's derived inventions 1 and 2 in main

composition and, as it is difficult to recognize that the plaintiff invented Claim 1 invention, patent application for Claim 1 invention was made by a non-right holder. Then, Claim 1 invention has to be declared invalid for violation of Articles 133 (1) 2 and 33 (1) of the Patent Act.[1)]

1) Finalized as it is because the plaintiff did not appeal to the Supreme Court.

Patent Court Decision 2013Heo5803 decided Jan 10, 2014 [Refusal of Registration (Patent)][1)]

Shin Kim, Patent Court Judge

[Held]

Whether a variable resistance memory device having interfacial adhesion heating layer has the inventive step of an invention, (Negative)

[Summary of Decision]

1. Invention

The name of this invention, with application number of 10-2009-7026620, is 'VARIABLE RESISTANCE MEMORY DEVICE WITH AN INTERFACIAL ADHESION HEATING LAYER, SYSTEMS USING THE SAME AND METHODS OF FORMING THE SAME,' and the scope of patent and main drawings for Claim 1 wherein inventive step of this case is disputed (hereinafter 'Claim 1 invention of this case') are as follows.

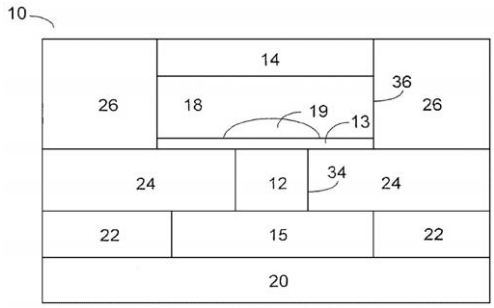
A. Scope of patent in Claim 1

A resistance memory device that includes electrode No. 1 (hereinafter 'Composition 1'), dielectric substance layer No. 1 (hereinafter 'Composition 2'), interfacial adhesion heating layer having the first side connected to electrode No. 1 and dielectric substance layer No. 1 (hereinafter 'Composition 3'), resistance-changing material having the first side connected to interfacial adhesion heating layer's the second side (hereinafter 'Composition 4') and electrode No. 2 connected to the second side of resistance-changing material (hereinafter 'composition 5'), with the characteristics of interfacial adhesion heating layer

1) Finalized as it is because an appeal was not filed to the Supreme Court.

improving adhesion between dielectric substance layer No. 1 and resistance-changing material (hereinafter 'Composition 3-1'), interfacial adhesion heating layer providing resistance-changing material with sufficient resistance for local heating effect (hereinafter 'Composition 3-2'), and thermal conductivity of interfacial adhesion heating layer being lower than that of resistance-changing material (hereinafter 'Composition 3-3').

B. Main drawings



[Explanation of main drawings]

10: Memory device, 12: lower electrode, 13: interfacial adhesion heating layer, 14: upper electrode, 15: conductivity metal layer No. 1, 18: variable resistance materials layer, 19: material in amorphous state, 20: substrate, 22: dielectric substance layer No. 1, 24: dielectric substance layer No. 2, 26: dielectric substance layer No. 3, 36: opening

2. Plaintiff's argument

The plaintiff asserts that Claim 1 invention of this case cannot be easily invented by a person of ordinary skill in the art from compared inventions so its inventive step is not denied. The plaintiff also asserts that submission of Defendant's Evidence No. 2, etc., new evidences not cited by the defendant in the KIPO's examination or trial on the invention of this case, deprives the plaintiff (applicant) of an opportunity to submit opinion and thus falls into a new ground for refusal.

3. Whether Claim 1 invention of this case lacks inventive step

A. Comparison of composition and effect

1) Composition 1, 'electrode No. 1,' corresponds to 'lower electrode (39)' of the compared invention No. 1 and both compositions are substantially the same in that they are electrodes located in the lower part of the resistance memory device and have the effect of making electric current flow.

2) Composition 2, 'dielectric substance layer No. 1,' corresponds to 'insulators film No. 2 (35)' of the compared invention No. 1 and both compositions are substantially the same in that they are insulators designed for electric and heating separation from electrode No. 1 (lower electrode) and have the effect of blocking electric current.

3) Composition 3, 'interfacial adhesion heating layer with the first side connected to electrode No. 1 and dielectric substance layer No. 1,' corresponds to 'dielectric substance film pattern with its side connected to lower electrode (39) and insulator film No. 2 (35) (41)' of compared invention No. 1 and both compositions are substantially the same in that they are interfacial adhesion heating layers (dielectric substance film) connected to electrode No. 1 (lower electrode) and dielectric substance layer No. 1 (insulator film No. 2)).

4) Composition 3-1, 'interfacial adhesion heating layer improving adhesion between dielectric substance layer No. 1 and resistance-changing material,' corresponds to 'dielectric substance film being located between insulator film No. 2 and phase-change material film' in compared invention No. 1. Both compositions are the same in that interfacial adhesion heating layer (dielectric substance film) is located between dielectric substance layer No. 1 (insulator film No. 2) and resistance-changing material (phase-change material film) but different in that while in Composition 3-1 interfacial adhesion heating layer improves adhesion between dielectric substance layer No. 1 and resistance-changing material, it is unclear whether relevant composition of the dielectric substance film of compared invention No. 1 improves adhesion between insulator film No. 2 and phase-change material film. But, since it is generally

pursued and not difficult for a person of ordinary skill in the art to design such that the layer between the two layers has the effect of improved adhesion between the two and since such design does not have special technical difficulty, the difference can easily be derived by a person of ordinary skill in the art from relevant composition of the compared invention No. 1 and, even if that is not the case, in the compared invention No. 3, phase-changing memory cell can include phase-changing material laid out over dielectric material, but some dielectric material and phase-changing material are not well attached chemically so the phase-changing material layer can be peeled off during subsequent manufacturing process of phase-changing equipment and, in order to solve problem that can affect yield and reliability of the equipment in the future, it is proposed to use appropriate adhesion material (220) that has good adhesion with phase-changing material by forming material layer (220) over insulator layer (210). Thus, the difference can easily be derived by a person of ordinary skill in the art by combining compared inventions No. 1 and 3.

5) Composition 3-2 is 'interfacial adhesion heating layer providing sufficient resistance to give local heating effect to resistance-changing material' and, in connection therewith, detailed explanation of invention in the specification of this invention states, 'due to low resistance of the crystalline phase-changing material, a high reset electric current density may be required in order to provide sufficient electric power to melt phase-changing material. High electric current density may cause electro-migration not required of conductivity material and cause phase-separation in the phase-changing material', 'interfacial adhesion heating layer (13) … to provide appropriate resistance for local heating effect … may be formed by materials such as Al_2O_3, … TiO_x' and according thereto, Claim 1 invention of this case, in connection with Composition 3-2, lowering reset electric current density by adopting interfacial adhesion heating layer providing high resistance to resistance-changing material, it has incidental effect of avoiding electro-migration not required of conductivity material and phase-separation and ultimately causes local heating effect in resistance-changing material and, also one can see that the material of interfacial adhesion heating layer appropriate for the above-mentioned effect are Al_2O_3, … TiO_x, etc. as composition

corresponding to Composition 3-2 of Claim 1 invention, compared invention No. 1 discloses 'decrease of reset electric current density by increasing contact resistance between lower electrode and phase-change material film by composition of dielectric substance film metalized between lower electrode and phase-change material film' and 'composition of using one of Al_2O_3, ⋯ TiO_2 ⋯ as material of dielectric substance film.' Interfacial adhesion heating layer of Composition 3-2 and dielectric substance film of compared invention No. 1 are formed by the same material (such as Al_2O_3, TiO_2) and also the same in that they lower reset electric current density by increasing resistance to resistance-changing material (phase-change material film). Further, on whether compared invention No. 1 also has incidental effect of avoiding electro-migration and phase-separation, and ultimately cause local heating effect to resistance-changing material, given that ① Composition 3-2 is limited to providing sufficient resistance for local heating effect but has not specifically limited on the degree of local heating effect and sufficient resistance and their relationship and specification of this invention just states materials such as Al_2O_3, TiO_x provide appropriate resistance to give local heating effect as interfacial adhesion heating layer, but not the degree of local heating effect and sufficient resistance and their relationship, ② a person of ordinary skill in the art can easily anticipate that selecting same materials will lead to the same effect, ③ the fact that heat is necessary to convert the state of resistance-changing material (phase-change material film) and the fact that greater resistance between two objects leads to greater local heating effect between them are common knowledge self-evident to a person of ordinary skill in the art and such person can easily anticipate that in compared invention No. 1, increase of resistance with phase-change material film by dielectric substance film to lower reset electric current density is ultimately for local heating necessary to convert the state of phase-change material, ④ avoidance of electro-migration and phase-separation due to decrease of reset electric current density is only an effect self-evident to a person of ordinary skill in the art or easily anticipated by such person, also in compared invention No. 1, incidental effect of avoiding electro-migration and phase-separation and ultimately the effect of causing local heating in resistance-changing material are self-evident to a person of ordinary skill in the art or easily anticipated by such person. So, Composition 3-2 of Claim 1 invention is

a composition that is substantially the same as relevant composition of compared invention No. 1 or easily derived by a person of ordinary skill in the art from relevant composition of compared invention No. 1, and its effect can easily be anticipated.

6) Composition 3-3 is 'thermal conductivity of interfacial adhesion heating layer being lower than that of resistance-changing material,' and compared inventions do not expressly state the thermal conductivity relationship of composition corresponding to interfacial adhesion heating layer and resistance-changing material (dielectric substance film and phase-change material film of compared invention No. 1). Claim 1 invention of this case, by adopting Composition 3-3, has the effect of reducing heat sink wherein heat of the resistance-changing material exits to the lower electrode through interfacial adhesion heating layer and, given all circumstances shown by Defendant's Evidences No. 2, and No. 9 through 12, to prevent heat sink wherein Joule's Heat occurring in the resistance-changing material exits to lower area such as lower electrode (plug area) through interfacial adhesion heating layer, the fact that thermal conductivity of interfacial adhesion heating layer has to be lower than that of resistance-changing material is widely-known and commonly-used technology in the relevant field prior to the patent application of this case so Composition 3-3 of Claim 1 invention can easily be derived by a person of ordinary skill in the art based on the widely-known and commonly-used technology.

7) Composition 4, 'resistance-changing material having the first side connected to the second side of interfacial adhesion heating layer,' corresponds to the phase-change material film pattern (43) formed over the 'dielectric substance film pattern (41) of the compared invention No. 1,' and both compositions are resistance-changing material (phase-change material film) formed over interfacial adhesion heating layer (dielectric substance film) and are substantially the same in that they perform the function of memory device by change in the state due to local heating from resistance to interfacial adhesion heating layer (dielectric substance film).

8) Composition 5, 'electrode No. 2 connected to the second side of resistance-

changing material,' corresponds to upper electrode formed over 'phase-change material film pattern (43) of the compared invention No. 1 (47)' and both compositions are substantially the same in that they are electrodes No. 2 (upper electrode) formed over resistance-changing material (phase-change material film) and have the effect of making electric current flow.

B. Summarizing result of comparison, and whether combination is difficult

Each composition of Claim 1 invention of this case is either disclosed in the compared invention No. 1 or can easily be derived by a person of ordinary skill in the art from compared invention No. 1 or from combination of compared invention No. 1 with compared invention No. 3 or with widely-known and commonly-used technology. Basic structure of Claim 1 invention of this case is disclosed in the compared invention No. 1 and, since no structural change occurs even if compared invention No. 1 is combined with compared invention No. 3 of the same technological field or with widely-known and commonly-used technology and since such combination has no special technical difficulty and it is difficult to find an element otherwise hindering the combination, there is no difficulty for a person of ordinary skill in the art to combine compared invention No. 1 with compared invention No. 3 or with widely-known and commonly-used technology.

4. Whether it is a new ground for refusal

A. Basis of decision

In a litigation to revoke IPTAB's dismissal of appeal to its refusal, KIPO Commissioner cannot argue a new ground for the refusal for which no opportunity to submit opinion was granted in the KIPO's examination or trial but although a new ground is argued by KIPO Commissioner in the above-mentioned litigation, if its material purport is in common with one for which an opportunity to submit opinion was granted in the examination or trial and thus it simply supplements an already-notified ground for refusal, it can be used as a basis of deciding whether the IPTAB decision was correct (See Supreme Court Decisions 2001*Hu*1617 decided Feb 26, 2003, 2011*Hu*2757, decided Oct 10, 2003,

etc.) and, especially, if the already-notified ground for refusal denies inventive step on account of a compared invention, since an evidence of a widely-known and commonly-used technology in the relevant field as of the patent application as supplement to the compared invention is not about a new, publicly-known technology, even if the court in the litigation to revoke IPTAB decision adopted it as the basis of denying inventive step, it cannot be deemed that the court based its judgment on a new ground for refusal which does not have material purport in common with an already-notified ground for refusal (See Supreme Court Decisions 2013*Hu*1054 decided Sep 26, 2013, 2012Hu1439 decided Feb 15, 2013, etc.).

B. Reasoning

On the plaintiff's invention, the KIPO examiner notified, with a request to submit opinion, the plaintiff that inventive step is denied because a person of ordinary skill in the art can easily invent it by the compared inventions 1 and 3 or compared inventions and then refused patent on the same rationale, at which the plaintiff appealed the IPTAB on the refusal. When the appeal was dismissal, the plaintiff filed a lawsuit to revoke the IPTAB decision of this case. The defendant, in the litigation to revoke IPTAB decision, arguing that 'the composition of thermal conductivity of interfacial adhesion heating layer being lower than that of resistance-changing material' of Claim 1 invention of this case is widely-known and commonly-used technology and Claim 1 invention of this case, even considering compared inventions and widely-known and commonly-used technology, lacks inventive step so the IPTAB decision of this case upholding the refusal is justified, additionally submitted Defendant's Evidences No. 2, and No. 9 through 12 as evidence of a widely-known and commonly-used technology and the court, as shown above, decided that Claim 1 invention of this case can easily be invented by a person of ordinary skill in the art based on the compared invention(s) 1 or 1 and 3 and widely-known and commonly-used technology and thus the inventive step is denied because based on the above-mentioned evidences, the 'composition of thermal conductivity of interfacial adhesion heating layer being lower than that of resistance-changing material' is widely-known and commonly-used technology. Defendant's Evidences No. 2, and No. 9 through 12 in this case to revoke IPTAB decision were all submitted as evidences of a widely-known and commonly-used technology in the relevant

field as of patent application for the invention of this case, in order to supplement the compared invention already notified as the ground for refusal in the examination. Therefore, Defendant's Evidences No. 2, and No. 9 through 12, coinciding with the ground for refusal for which an opportunity to submit opinion has already been granted in material purport, cannot be deemed evidence of a new ground for refusal or a new, publicly-known technology.

Patent Court Decision 2012Heo9839, 10563, 10679, 10631, and 10754 decided Oct 10, 2013 (cases consolidated) [Invalidation of Registration (Patent)][1)]

Boo-Gyu Kwak, Patent Court Judge

[Held]

Whether the invention of this case, a use invention on pain treatment by Pregabalin[2)], has inventive step (Affirmative)

[Summary of Decision]

1. Patented invention of this case

The invention of this case, with patent registration number of 0491282, is 'Isobutylgaba and its derivatives for the treatment of pain.'

2. Plaintiffs' argument

The plaintiffs argue that the patented invention of this case has no inventive step because ① a material that increases GABA[3)] level has pain-killing effect and Pregabalin is such material so Pregabalin's pain-killing effect is easily derived (hereinafter 'GABA level argument'), ② both Pregabalin and Gabapentin exhibit

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1) Appealed to the Supreme Court.

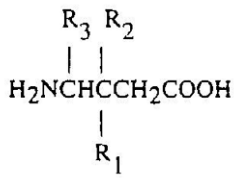
2) Refers to S-type optical isomer of 3- (aminomethyl) -5-methyl-hexanoic acid, i.e., (S) -3- (aminomethyl) -5-methyl-hexanoic acid.

3) GABA: Abbreviation of gamma-aminobutyric acid. Well-known inhibitory neurotransmitter. Butyric acid is an acid composed of four carbon atoms (COOH) and has a molecular structure wherein amino group (NH_2) is attached to the carbon atom at the location of γ.

pharmacological activity by combining with $\alpha_2\delta$subunit[4] and Gabapentin's pain-killing effect is known publicly so Pregabalin's pain-killing effect is easily derived (hereinafter '$\alpha_2\delta$subunit argument'), and ③ Pregabalin is an anti-convulsant agent, which has pain-killing effect, and compounds of similar chemical structure exhibit similar chemical properties and Pregabalin's chemical structure is similar that of Gabapentin or Baclofen, which has pain-killing effect, so Pregabalin's pain-killing effect is easily derived (hereinafter 'common nature argument').

3. On the argument concerning GABA level

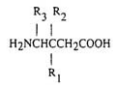
1) It is interpreted that the scope of patent in prior art X[5] states 4-amino-3- (2-methylpropyl) butanoic acid (hereinafter '3-Isobutylgaba'), the racemic body of Pregabalin, increases the brain neuronal GABA level.

> 【Claim 13】 A method of increasing brain neuronal GABA levels, said method including the steps of: systemically administering an effective amount of a 3-alkyl-4-aminobutyric acid or a 3-alkylglutamic acid and activating brain neuronal L-glutamic acid decarboxylase activity.
>
> 【Claim 14】 A method as set forth in claim 13 wherein said administering step is further defined as administering a compound of the formula
>
> 
>
> wherein R_1 is a straight chain or branched alkyl of 1 to 6 carbons, a phenyl or a cycloalkyl of 3 to 6 carbon atoms, R_2 is -H, $-CH_3$ or $-CH_3$ and R_3 is -H or -COOH, its diastereomers and enantiomers, and both pharamceutically acceptable base salts and acid addition salys thereof.
>
> 【Claim 15】 A method as set forth in claim 14 wherein the compound is 4-amino-3-(2-methylpropyl) butanoic acid.

4) One of the subunits that compose $C\alpha^{2+}$channel formed in cell membranes. Will be discussed in detail in the relevant part.

5) Specification of international patent application (WO 92/09560). Its name is 'GABA AND L-GLUTAMIC ACID ANALOGS FOR ANTISEIZURE TREATMENT.'

2) However, given the following circumstances, as of the priority date of the patented invention of this case, it is deemed that statements in the scope of patent in prior art X alone would be insufficient to convince a person of ordinary skill in the art that Pregabalin increases the brain neuronal GABA level.

(1) Main points of prior art X: On the premise that rise in brain neuronal GABA level causes anti-convulsant effect, assuming that materials group indicated as  can raise the brain neuronal GABA level by activating GAD enzyme, the anti-convulsant effect was verified through in-vitro and in-vivo (mouse) experiments, and the materials targeted by in-vitro experiment mostly showed good GAD activation as in Table 1 and in-vivo (mouse) experiments also showed anti-convulsant effect as in Table 2.

However, it is stated that 3-Isobutylgaba showed very poor effect (143 at 2.5*mM*) in the experiment of GAD activation in vitro but very strong anti-convulsant effect even with very small doses, better than other comparable compounds in in-vivo (mouse) experiments, and it is concluded that 3-Isobutylgaba has value as a drug treating convulsion in mammals including humans.

(2) In prior art X, activity of the target materials group was checked through in-vitro and in-vivo (mouse) experiments after initial assumption that the brain neuronal GABA level could be raised by activating GAD enzyme, but it was found that the result of in-vitro experiment of GAD activation and the anti-convulsant effect in mouse were not identical (effect of materials in Tables 1 and 2 not being identical), and especially 3-Isobutylgaba, while showing very poor effect in the in-vitro experiment of GAD activation, showed 10 times stronger effect than other compounds in in-vivo (mouse) experiments.

(3) Concerning the reason for the above-mentioned phenomenon, a person of ordinary skill in the art may assume ① while upholding the original assumption that anti-convulsant effect in living organism (in vivo) is caused by rise in GABA level, that 3-Isobutylgaba, despite its low GAD activation ability in test tubes, could greatly raise GABA level in living organism through other conditions

(transmission ability, metabolism stability, etc.), or ② that other mechanisms caused anti-convulsant effect on the premise that anti-convulsant effect in living organism is not related to rise in GABA level.

(4) Meanwhile, concerning the reason why Claim 15 in the scope of patent in prior art X stated that 3-Isobutylgaba raised the brain neuronal GABA level, since 3-Isobutylgaba showed an excellent anti-convulsant effect in-vivo although there was no basis that 3-Isobutylgaba raised the brain neuronal GABA level, it seems that such statement in the scope of patent was made on the premise that 3-Isobutylgaba might raise such level.

(5) Further, given the following literature prior to the priority date of patented invention of this case which a person of ordinary skill in the art can use as the basis of rational judgment, the statement in the scope of patent in prior art X that Pregabalin raises brain neuronal GABA level can be recognized by a person of ordinary skill in the art as more uncertain.

① Prior art A[6] showed, concerning experiment results of prior art X[7], that there seems no correlation between GAD activation ability and anti-convulsant activity and that, even if GAD activation ability exists inside the test tube, one cannot see whether the brain neuronal GABA level is increased, ② prior art B[8] confirmed, by experiment, that there was no anti-convulsant activity in the 3-methyl GABA compound which had the highest GAD activity in the in-vitro experiment of prior art X, and stated that there was no correlation between in-vitro GAD activation ability and anti-convulsant effect ③ prior art C[9] states that, although experiments were conducted in prior art X

6) An article published in J. Med. Chem in 1991. Its authors include Richard B. Silverman, inventor of prior art X.

7) Since the date of priority claim of prior art X is November 27, 1990, articles thereon can be prepared before June 11, 1992, the date of its disclosure.

8) Charles P. Taylor et al., '3-Alkyl GABA and 3-alkylglutamic acid analogues: two new classes of anti-convulsant agents,' Epilepsy Res. 1992; 11. Its authors include Richard B. Silverman, inventor of prior art X.

9) Nirmala Suman-Chauhan et al., 'Characterisation of [^{3}H]gabapentin binding to a novel site in rat brain: homogenate binding studies,' European Journal of Pharmacology, 1993; 244 (Molecular Pharmacology Section).

on the premise that compounds would raise GABA level, actually their anti-convulsant effect was not caused by GAD activation, so it would not be easy for a person of ordinary skill in the art to accept the uncertain fact that Pregabalin raises the brain neuronal GABA level, set forth in the above-mentioned scope of patent in prior art X, on its face and combine it with an additional fact that rise in GABA level exhibits pain-killing effect, and thus derive Pregabalin's pain-killing effect.

4. On the argument concerning $\alpha_2\delta$subunit

<Plaintiffs' Argument No. 1> ① It is common knowledge in technology that Ca^{2+}channel[10] inhibiting agent is effective for pain treatment, and ② according to prior art Y[11], Pregabalin is such inhibiting agent. So Pregabalin's pain-killing effect can easily be derived.

According to the statement of prior art Y, we can see the fact that Gabapentin combines with $\alpha_2\delta$subunit of Ca^{2+}channel, the statement that "All anti-convulsant drugs must ultimately exert their actions by modulating the activity of the basic mediators of neuronal excitability: voltage- and neurotransmitter-gated ion channels. Our data suggest the $\alpha_2\delta$ Ca^{2+}channel subunit may be the critical target at which gabapentin exerts its antiepileptic action," Pregabalin combines better with $\alpha_2\delta$subunit of Ca^{2+}channel than with Gabapentin[12] and the statement that "The (S+) -enantiomer of 3-isobutyl-GABA was significantly more active than the (R-) -enantiomer both in displacing [^3H]gabapentin binding and in preventing maximal electroshock seizures in mice. These data strongly suggest that the protein defined by [^3H]gabapentin plays an important role in controlling the excitability of neurons." But since the fact that Pregabalin is Ca^{2+}channel,

10) Ca^{2+}channel is formed in cell membranes and functions as a channel for Ca^{2+}in and out of cells.

11) Nicolas S. Gee et al., 'The Novel Anticonvulsant Drug, gabapentin (Neurontin), Binds to the $\alpha_2\delta$ subunit of a Calcium Channel,' THE JOURNAL OF BIOLOGICAL CHEMISTRY, Vol 271, Mar. 1996.

12) The article states that [^3H]Gabapentin combination is substituted but can be seen to mean that combination is easier in the area with which Gabapentin is combined ($\alpha_2\delta$subunit of Ca^{2+}channel).

as argued by plaintiffs, is not derived from the statements of prior art Y, the plaintiffs' argument based on the above cannot be accepted.

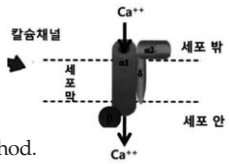
<Plaintiffs' Argument No. 2> ① According to prior art Y, Gabapentin and Pregabalin show pharmacological activity by combining only with $\alpha_2\delta$subunit[13], and ② Gabapentin has anti-convulsant and pain-killing effect and Pregabalin has anti-convulsant effect. So Pregabalin's pain-killing effect can easily be derived.

1) According to the experiments of prior art Y, after reaction between protein in the neuronal membrane of pig's cerebral cortex and [^3H]Gabapentin[14], protein (combined with [^3H]Gabapentin) is gathered and separated through purification process, and ultimately the structure of protein combined by [^3H]Gabapentin is analyzed, thus deriving the result that the protein is $\alpha_2\delta$ subunit of $C\alpha^{2+}$channel.

① Stage of combination between protein of cerebral cortex neuronal membrane and [^3H]Gabapentin: Suspension that homogenizes neuronal membrane of pig's cerebral cortex is added by [^3H]Gabapentin, causing a reaction. Concentration of the [^3H]Gabapentin-combined protein measured was 1.55*pmol/mg*.

② Stage of separation and purification of [^3H]Gabapentin-combined protein: First, foreign substance (e.g., fat) is removed by mixing with Tween20 (surfactant). And the fraction containing high-concentration [^3H]Gabapentin-combined protein[15] is selected by chromatography using Q-Sepharose column, and the selected high-concentration fraction is again subjected to chromatography using Lentil lectin column to select fraction containing higher-concentration [^3H]Gabapentin-combined protein. After repeating this process three more times, fraction with concentration of [^3H]Gabapentin-combined

13) $C\alpha^{2+}$channel's mimetic diagram submitted by the plaintiffs is as follows.



14) [^3H]Gabapentin: Gabapentin's hydrogen atom being substituted by tririum [^3H], a radioisotope. Radioisotope emits radioactive rays so it is possible to track the area where [^3H]Gabapentin is combined.

15) Refers to heavily radioactive fraction in the chromatography analysis method.

protein at 1,584*pmol/mg* was finally obtained.

③ Stage of separating protein from [^{3}H]Gabapentin-combined protein: Only protein is separated from [^{3}H]Gabapentin-combined protein.

④ Stage of analyzing and confirming protein structure: Amino acid sequence of the separated protein was analyzed, confirming that the protein was $\alpha_2\delta$ subunit of Ca^{2+}channel.

2) According to experiment results of the prior art Y, Gabapentin combines well with $\alpha_2\delta$subunit of Ca^{2+}channel, among neuronal membrane of pig's cerebral cortex, and prior art Y states "Our data suggest that the $\alpha_2\delta$ Ca^{2+}channel subunit may be the critical target at which gabapentin exerts its antiepileptic action.", "We suggest that modulation of voltage-dependent neuronal Ca^{2+}channels may be important to the antiepileptic action of gabapentin," so there is room that a person of ordinary skill in the art recognized, through statements of prior art Y, Gabapentin's anti-convulsant effect is related to $\alpha_2\delta$subunit of Ca^{2+}channel.

3) However, given the following circumstances, as of the priority date of the patented invention of this case, it is deemed that a person of ordinary skill in the art would not have recognized that Gabapentin's anti-convulsant and pain-killing effects are necessarily caused by $\alpha_2\delta$subunit of Ca^{2+}channel.

(1) As shown in the above-mentioned experiment, out of the 3,504*pmol* used in the experiment, the amount confirmed to be combined with $\alpha_2\delta$subunit of Ca^{2+}channel was only 49.1*pmol*, which may be relatively low-concentration, but the possibility that it also combined with other areas of cerebral cortex neuronal membrane but was discarded during the experiment and the possibility that Gabapentin's pharmacological effect was caused by combination with an area not targeted by the experiment cannot be excluded and, since pharmacological activity of a certain material does not always occurs from a high-concentration, combined area, one cannot conclude that Gabapentin's pharmacological mechanism was caused by $\alpha_2\delta$subunit of Ca^{2+}channel.

On this, the plaintiffs argue that Gabapentin's pharmacological activity

results from $\alpha_2\delta$subunit because it is stated to combine only with $\alpha_2\delta$subunit. Prior art Y states "Data from heterologous expression studies and purification experiments show conclusively that the single high affinity [^3H]gabapentin binding site found in brain and muscle membranes is the $\alpha_2\delta$subunit," so there is a room to interpret that $\alpha_2\delta$subunit, among neuronal membranes of brain and muscle, is the only area combined by Gabapentin but, given overall contents and results of the experiment of prior art Y to which a person of ordinary skill in the art can refer in making a rational decision, one cannot say that [^3H]Gabapentin only combines with $\alpha_2\delta$subunit in the neuronal membranes of pig's cerebral cortex. Thus, it is difficult to accept the plaintiffs' argument.

(2) Prior art Y states that there are various hypotheses on the mechanism of Gabapentin's anti-convulsant activity and, given prior art Y's statements, "But Gabapentin is special among $C\alpha^{2+}$channel ligand in that it acts at $\alpha_2\delta$subunit, not $\alpha 1$," "Currently, physiological function of $\alpha_2\delta$subunit is not well understood. It is publicly known that concurrence of $\alpha 1$ and βsubunit and $\alpha_2\delta$subunit is required for efficient assembly and functioning of $C\alpha^{2+}$channel complex," "Gabapentin blocked reaction to BAY K 8644 in the spinal neuron of mouse but in other studies did not greatly affect L-, N- or T-type voltage-dependent $C\alpha^{2+}$channel," it is not clear, even from the above-mentioned statements themselves, whether Gabapentin's anti-convulsant effect is caused by combination with $\alpha_2\delta$subunit.

(3) Further, prior art D[16], cited by prior art Y, states "it is implied that Gabapentin's basic mechanism is not caused by voltage-dependent $C\alpha^{2+}$channel." Also, prior art E[17], cited by prior art Y, states "Gabapentin does not show activity in Calcium or Natrium channel, which supports the view that it has a new mechanism different from other antiepileptic drugs (AEDs)." Since prior art Y does not directly exclude previous views mentioned above, one can see that experiment results of prior art Y do not clarify the mechanism of Gabapentin's anti-convulsant activity.

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16) David M. Rock et al., 'Gabapentin actions on ligand- and voltage-gated responses in cultured rodent neurons,' Epilepsy Research 16, 1993. Cited by Prior art Y as 'Cited literature 37.'

17) Charles P. Taylor, PhD, 'Emerging perspectives on the mechanism of action of gabapentin,' NEUROLOGY 44, 1994. Cited by Prior art Y as 'Cited literature 6.'

And, prior art F[18] states "Gabapentin (GP) 1*mM* had no effect at all on the peak electric current of T or N/L Ca^{2+}channel flow, voltage dependency, or activation or non-activation speed characteristics, so it is implied that Gabapentin's anti-epileptic effect is not related to direct or indirect activity of NMDA receptor complex, voltage-dependency, or Ca^{2+}channel flow." Prior art G[19] states "there is a chance that Gabapentin is absorbed into cells through system L and affects metabolism of a specific neurotransmitter, thus showing anti-convulsant effect." Prior art H[20] states "Gabapentin affects BCAA-T, decreases synthesis of glutamate, showing anti-convulsant effect," which does not coincide with prior art Y which states that Gabapentin combines with $\alpha_2\delta$ subunit of Ca^{2+}channel and thus exhibits anti-convulsant effect.

Also, prior art I[21] lists, as Gabapentin's possible mechanism, interaction with transporter or enzyme related to metabolism of L-amino acid. Prior art J[22] states that it is unclear whether $\alpha_2\delta$subunit, recently known to be combined by Gabapentin, is related to anti-convulsant effect and that according to experiment, another part, D-Serine (glycine/NMDA receptor agonist), has chance of being related to Gabapentin's anti-convulsant effect, thus proposing a theory conflicting with prior art Y.

4) Then, it would not be easy for a person of ordinary skill in the art to accept the uncertain hypothesis, set forth in prior art Y, that Gabapentin's anti-convulsant effect can be caused by combining with $\alpha_2\delta$subunit on its face and, based thereon, to derive the invention of this case wherein Pregabalin exerts pain-killing effect as in Gabapentin, by adding the fact that Pregabalin also competitively combines with Gabapentin and $\alpha_2\delta$subunit (even if Pregabalin

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18) Kevin M. Kelly et al., 'Gabapentin does not Affect N-Methyl-D-Aspartate Receptor Currents or Voltage-dependent Calcium Currents in Cultured Rodent Neurons,' Annals of Neurology, Vol 30, Aug 1991. An abstract.

19) Ti-Zhi Su et al, 'Transport of gabapentin, a γ-Amino Acid Drug, by System L α-Amino Acid Transporters: A Comparative Study in Astrocytes, Synaptosomes, and CHO Cells,' Journal of Neurochemistry, 1995.

20) Arie Goldlust et al., 'Effects of anti-convulsant drug gabapentin on the enzymes in metabolic pathways of glutamate and GABA,' Epilepsy Research 22, 1995.

21) Byung-In Lee, 'New Antiepileptic Drugs,' Journal of Korean Medical Science, Vol. 11, Apr 1996.

22) L. Singh et al., 'The antiepileptic agent gabapentin (Neurontin) possesses anxiolytic-like and antinociceptive actions that are reversed by D-Serine,' Psychopharmacology 127, 1996.

competitively combines with Gabapentin and $\alpha_2\delta$subunit, there remains the possibility that Pregabalin combines with other part than $\alpha_2\delta$subunit and exerts pharmacological activity) and that Pregabalin has anti-convulsant effect as in Gabapentin.

5. On the argument concerning common nature

<Plaintiffs' Argument No. 1> ① It is commonly used art or common knowledge that anti-convulsant agent is effective for neuropathic pain treatment, and ② Pregabalin is anti-convulsant agent. So, Pregabalin's pain-killing effect is not difficult to derive.

1) According to prior art K1[23], prior art K2[24], prior art K3[25], prior art K4[26], prior art K5[27], prior art K6[28], prior art K7[29], prior art K8[30], prior art K9[31], prior art K10[32], and prior art K11[33], Carbamazepine, Clonazepam, Lamotrigine,

23) 'Gabapentin in the Management of Reflex Sympathetic Dystrophy,' Journal of Pain and Symptom Management Vol. 10 No. 4, Apr 1995.

24) Henry McQuay et al., 'Anticonvulsant drugs for management of pain: a systematic review,' BMJ VOLUME 311, Oct 21, 1995.

25) Guieu R. et al., 'Central analgesic effect of valproate in patients with epilepsy,' Seizure: the journal of the British Epilepsy Association, Jun 1993. An abstract.

26) Univ. Washington, 'Carbamazepine,' Annals of Internal Medicine Vol. 79, No. 6, 1973. An abstract.

27) 'Pharmacotherapy of cancer pain. 3. Adjuvant drugs,' Schmerz Vol. 9, No. 2, May 1995. An abstract.

28) Kryshanovskii G. N. et al., 'Effect of benzodiazepines on neuropathologic syndromes of spinal origin,' Biulleten' eksperimental'noi biologii I meditsiny, Vol. 97, Jan 1984. An abstract.

29) Nakamura-Craig M. et al., 'Effect of lamotrigine in the acute and chronic hyperalgesia induced by PGE2 and in the chronic hyperalgesia in rats with streptozotocin-induced diabetes,' Pain Vol. 63, No. 1, Oct 1995. An abstract.

30) Yaari Y. et al., 'Phenytoin suppresses spontaneous ectopic discharge in rat sciatic nerve neuromas,' Neuroscience letters, Vol. 58, No. 1, Jul 4, 1985. An abstract.

31) Gonzalez-Darder J. M. et al., 'Antinociceptive effects of phenobarbital in "tail-flick" test and deafferentation pain,' Anesthesia and analgesia, Vol. 75, No. 1, Jul 1992. An abstract.

32) Imamura Y. et al., 'Felbamate relieves several abnormal pain sensations in rats with an experimental peripheral neuropathy,' The Journal of pharmacology and experimental therapeutics, Vol. 275, No. 1, Oct 1995. An abstract.

33) Gerhard H. Promm et al., 'Baclofen in the Treatment of Trigeminal Neuralgia: Double-Blind Study and Long-Term Follow-up,' Annals of Neurology, Vol 15, No 3, Mar 1984.

Phenytoin, Valproate, Phenobarbital, Felbamate, Baclofen, and Gabapentin have pain-killing effect.

And, prior art L[34] states "the etiology of neuropathic pain syndrome can be diverse but its fundamental pathological characteristics seem to include some abnormal activation of nerve in the pain reception system. Drugs that decrease excessive discharge of pathologically changed nerves seem effective in managing the above-mentioned syndrome. Anti-convulsant agents have been advocated to manage intractable neuropathic pain." Prior art M[35] states "anti-convulsant agents may be useful to neuropathic pain treatment, especially when patients experience paroxysmal, pricking, or electric shock. According to experiments, damaged nerve cause hyper-excitability and voluntary displacement activity. So, paroxysmal nerve pain is in some aspect similar to epilepsy and to such patients, anti-epilepsy drugs reduce pain." Prior art N[36] lists anti-convulsant agents as drugs proposed for pain treatment and Carbamazepine, Phenytoin, Clonazepam, Valproate, and Baclofen are listed in Table 119-5.

According to the above-mentioned prior arts, there is a chance that anti-convulsant agents have a prima facie effect for neuropathic pain treatment.

2) However, given the following circumstances, as of priority date of the patented invention of this case, it is difficult for a person of ordinary skill in the art to accept that anti-convulsant agent is generally also effective to pain treatment.

Prior art O[37], introducing about 50 anti-convulsant drugs, states Carbamazepine and Phenytoin are used for trigeminal neuralgia treatment but does not mention other anti-convulsant drugs. Prior art P[38], despite introducing the neuropathic pain treatment effect of Phenytoin and Carbamazepine, states Clonazepam and Valproate have not been properly researched on neuropathic pain treatment, are hardly effective, and often cause many side effects. Prior art

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34) Howard Rosner et al., 'Gabapentin Adjunctive Therapy in Neuropathic Pain States,' The Clinical Journal of Pain, Vol 12. No 1, 1996.

35) R. W. Presley, 'Novel approaches to the treatment of neuropathic pain,' WEST J. MED., Nov 1992.

36) Part of 'The MERCK MANUAL 16th Ed.,' MERCK RESEARCH LABORATORIES, 1992.

37) 'MARTINDALE,' London ROYAL PHARMACEUTICAL SOCIETY, 1996. A drug reference.

38) Bradley S. Galer, 'Neuropathic pain of peripheral origin: Advances in pharmacologic treatment,' NEUROLOGY 1995, 1995.

K11, shown above, states Phenobarbital is not effective for trigeminal neuralgia treatment. Prior art Q[39] states "given the critical complications, lack of contrasting research to prove clinical effectiveness on neuropathic pain, and risk of placebo reaction in chronic pain patients, we propose that clinical use of Felbamate for neuropathic pain only be considered in experimental cases." Prior art R[40] states "Baclofen had no pain-killing effect for post-herpetic neuralgia and diabetic neuropathy."

As shown above, among the 50 or so anti-convulsant agents introduced in the prior art O, most cannot be deemed effective for pain-killing and, among the nine drugs claimed by the plaintiffs to have pain-killing effect, Clonazepam, Valproate, Phenobarbital, Felbamate, and Baclofen also received negative views on their pain-killing effect so one can see that there are very few anti-convulsant agents that can be deemed to have pain-killing effect.

3) Then, since a person of ordinary skill in the art may not recognize that an anti-convulsant agent would generally be effective for neuropathic pain treatment, it would not be easy to derive Pregabalin's pain-killing effect from the fact that Pregabalin's anti-convulsant effect was publicly known.

<Plaintiffs' Argument No. 2> ① compounds with common basic structure show similar pharmacological effect, ② Pregabalin has basic structure of GABA structure, as in Gabapentin or Baclofen, ③ Gabapentin or Baclofen has pain-killing effect so Pregabalin's pain-killing effect is not difficult to derive.

To be able to assume that pharmacological activity will be similar if basic structure of the compounds is the same or similar, there has to be a prima facie scientific basis that pharmacological activity is exhibit the basic structure and is not hampered by structural difference.

Pregabalin, like Gabapentin or Baclofen, has GABA structure as basic

39) YOSHIKI IMAMURA et al., 'Felbamate Relieves Several Abnormal Pain Sensations in Rats with an Experimental Peripheral Neuropathy,' THE JOURNAL OF PHARMACOLOGY AND EXPERIMENTAL THERAPEUTICS, Jun 16, 1995.

40) C.F. Terrence et al., 'Baclofen as an Analgesic in Chronic Peripheral Nerve Disease,' Eur. Neurol. 24, 1985.

structure but according to the above-mentioned article that Baclofen is neither anti-convulsant agent nor has pain-killing effect for post-herpetic neuralgia and diabetic neuropathy, it is difficult to state that anti-convulsion or pain-killing effect results from the basic structure of GABA or that structural difference is a minor factor with no impact on pharmacological activity.

So, among Pregabalin, Gabapentin and Baclofen with the same GABA structure but different substituent, one could not rely on the chemical properties of one to easily assume the nature of the other compounds. Further, added by the statement in the prior art S[41] ("effect is caused by complex and diverse interactions among neurotransmitters so it is difficult to explain the function of GABA that exerts plenty of physiological effects"), it would be less easy to anticipate, from the nature of other compounds, chemical properties of a compound whose basic structure is GABA structure.

Thus, since a person of ordinary skill in the art will not anticipate, based only on fact that Pregabalin is a GABA structure similar to Gabapentin or Baclofen, that Pregabalin will show pharmacological activity similar to that of Gabapentin or Baclofen, it is deemed not easy to derive Pregabalin's pain-killing effect simply because they have the same basic structure.

6. Conclusion

Patented invention of this case is use invention on pain treatment by Pregabalin and since we cannot accept the plaintiffs' arguments that such use of Pregabalin is not difficult to derive, inventive step of the patented invention of this case shall not be denied.

41) Rae R. Matsumoto, 'GABA receptors: Are cellular differences reflected in function?,' Brain Research Reviews, 1989, p14.

Patent Court Decision 2013Heo9128 decided May 8, 2014 [Refusal of Registration (Trademark)]

Joo-Tag Yoon, Patent Court Judge

[Held]

Given that the trademark of this case (APP STORE) cannot be registered under Article 6 (1) 3 of the Trademark Act as it is a mark indicating use of its designated product (mobile phone, etc.) in a commonly used method, seems simply to be used as identification mark for the business of providing and selling the plaintiff's applications, and invokes two concepts, the trademark is deemed to have no distinctiveness acquired through use because consumers did not conspicuously recognize, from use thereof, whose service-related designated product the mark indicated as at the decision refusing its registration.

[Summary of Decision]

1. Whether the trademark of this case falls into Article 6 (1) 3 of the Trademark Act

'APP STORE,' the trademark of this case ("this trademark"), is a letter trademark combining 'APP,' abbreviation of 'Application' which means "application, application program, etc.," and 'STORE,' meaning "department store, store, storage, etc." and, if used for its designated product, could be recognized by the general public as "storage of application, etc." So, it cannot be registered as trademark under Article 6 (1) 3 of the Trademark Act because it is a descriptive mark composed only of a mark commonly indicating use of its designated product.

2. Whether this trademark has distinctiveness acquired through use

A. Basis of decision

Under Article 6 (2) of the Trademark Act, if a trademark is conspicuously recognized, from its use prior to trademark application, by consumers to indicate a product related to a certain person's business, it can be registered for the product (designated product) using such trademark. But, as this provision is intended to grant third-party effect to a mark that by nature cannot be used by a person exclusively, its criteria has to be strictly interpreted and applied and conspicuous recognition by consumers that the trademark belongs to a specific person cannot be assumed from the fact alone that it was advertised to a certain degree. Specifically, it has to be clearly proved by evidence that the trademark itself is conspicuously recognized by general consumers or traders and such distinctiveness acquired through use has to be determined as of the date of granting or refusing trademark registration (See Supreme Court Decisions 2002Hu1768 decided May 16, 2003, 2006Hu3397, 3403, 3410, and 3427 decided Nov 13, 2008, etc.).

Also, in order to recognize distinctiveness acquired through use, it is required that most of the general consumers and traders of the product with such trademark recognize that the trademark indicates a specific person's product considering the period, number and continuity of trademark use, production, sales and market share of product having the trademark, method, number, content, period and amount of advertisement, excellency of product quality, (business) reputation of trademark user, and degree and pattern of competing use of trademark (See Supreme Court Decision 2006Hu2288 decided Sep 25, 2008, etc.).

B. Reasoning

Given that ① this trademark is not used to identify a designated product but identify an 'applications marketplace' where applications only usable in 'iPhone,' 'iPod' and 'iPad' can be downloaded, i.e., only used to identify the business of providing and selling the plaintiff's applications (although the above-mentioned devices have an icon containing 'APP STORE,' since the icon is only a tool connecting to 'APP STORE' run by the plaintiff and is hard to consider as an object of independent commercial transactions that has exchange value, it was used to identify the business of providing and selling applications, etc. rather than indicate a product such as application), and ② even assuming this

trademark is used to indicate a designated product, some encyclopedia on the Internet define 'App Store' as "download service, run by Apple, Inc., of application programs for iPhone and iPod touch" or "mobile online software marketplace developed by Apple, Inc.," while some other encyclopedia define it as "online mobile content marketplace that sells various applications (application programs) loadable in smartphones" and further, to Android smartphone or tablet PC users who have never experienced the above-mentioned devices and 'APP STORE' connected thereto, 'App Store' could mean "online mobile content marketplace selling various applications loadable in smartphones" instead of "mobile online software marketplace developed by Apple, Inc." [In Korea, Android smartphone's market share is much bigger than that of 'iPhone']. Thus, considering for example that this trademark can invoke two ideas, it cannot be deemed, based on the evidence submitted by the plaintiff, that consumers conspicuously recognized, from use of the trademark and as at the decision to refuse trademark registration, whose business-related product was indicated by the mark.

3. Conclusion

Therefore, this trademark cannot be registered under the Article 6 (1) 3 of the Trademark Act.

Patent Court Decision 2014Heo959 decided May 23, 2014 [Refusal of Registration (Trademark)]

Hye-Jin Lee, Patent Court Judge

[Held]

The service mark of this case, "bills," cannot be deemed to indicate quality, efficacy, use, price, etc. of its designated service in a commonly used method, so Article 6 (1) 3 of the Trademark Act is inapplicable thereto.

[Summary of Decision]

A. The service mark of this case ("this service mark"), 'bills,' is a mark combining 'bill,' an English word of the level of Korean middle school students and meaning a statement of money owed for goods and services supplied, and 's,' meaning plural form of nouns, and is recognized to mean statements of money owed for goods and services supplied.

B. 'Restaurant business,' the designated service for this service mark, is the business of providing food along with eating tables and chairs for customers, and 'food and drinks-providing business' is the business of providing meals and drinks. And 'information/advising/consulting business related to restaurant/food and drinks provision' is the service business of providing information necessary for restaurant/food and drinks and helping with rational decision-making to solve problems by offering expert opinions (hereinafter, designated service for this service mark shall be referred to as 'restaurant business, etc.').

C. Whether this service mark, 'bills,' can be deemed to indicate quality, efficacy, use, price, etc. of its designated service (restaurant business, etc.).

(1) The term "bills" is only recognized as 'a statement of money owed for

goods and services supplied' and does not signify certain nature (e.g., excellence of service) in connection with the service provided by restaurant business, etc. So the term is not recognized to indicate the quality or efficacy of service.

(2) The term "bills" is recognized as 'a statement of money owed for services supplied' in relation to the service of restaurant business, etc. However, the term cannot be deemed to indicate the use of service in restaurant business, etc. This is because it does not concern the content of service provided by the service provider to consumers but it is provided by the service provider to claim the price of service to consumers.

(3) The term "bills" also means 'note (paper money)'. However, it cannot be deemed to indicate the use of service in connection with its designated service since it does not signify certain nature (e.g., specific amount, or high or low price). Also, even if 'note (paper money)' is used as means of payment for the service provided by its designated service, it cannot be deemed to indicate the use of service in connection with its designated service. This is because the term does not concern the content provided by its designated service but consumers' means of payment for the service.

(4) The term "bill" also means '100 dollars'. However, it is not deemed to indicate the price of service provided by its designated service. This is because there is no evidence to think that the term is used to refer to '100 dollars' in general commercial transactions and is recognized by consumers as such.

D. Therefore, this service mark cannot be deemed to indicate quality, efficacy, use, price, etc. of the designated service in a commonly used method and thus is not covered by Article 6 (1) 3 of the Trademark Act.

Patent Court Decision 2013Heo10027 decided Jun 19, 2014 [Refusal of Registration (Trademark)]

Joo-Tag Yoon, Patent Court Judge

[Held]

Where a third-party company, which used to be an exclusive licensee of the compared trademark ( ) registered in a treaty member state, applies for a service mark ( ), with a designated service recognized as same-kind or similar to designated product of the compared trademark, that is the same as or similar to the compared trademark and assigns, without compensation, a right to register the service mark to the plaintiff having the same representative director(s), inside director(s), shareholders, and shareholding ratio as the third-party company, it is an act out of convenience or formality to unduly avoid application of Article 23 (1) 3 of the Trademark Act and the service mark cannot be registered under the same provision.

[Summary of Decision]

1. Basis of decision

Article 23 (1) 3 of the Trademark Act (main text) provides that where a person who is, or was within one year prior to trademark application, an agent or representative of the holder of a trademark registered in a treaty member state or a trademark similar thereto, without a justifiable ground (e.g., it fails to obtain consent of the above-mentioned right-holder), applies for registration of trademark with its designated product being one that is the same as or similar to designated product of the above-mentioned trademark, such application has to be refused.

Thus, in order to fall into the above-mentioned provision, ① a compared trademark has to be registered in a Paris Convention member state as at application for the service mark of this case ("this service mark"), ② this service

mark and the compared trademark are the same or similar and the designated product and the designated service have to be same-kind or similar, ③ the applicant for this service mark, as at application, is an agent or representative of the holder of right for compared trademark or was one within one year prior thereto, and ④ the applicant for this service mark had no justifiable ground concerning the application (e.g., it failed to obtain consent of the holder of right for the compared trademark).

The term 'agent or representative' in Paragraph ③ above generally means an agency, distributor, consigned seller, or general agency importing product from a person that has right to an overseas trademark and selling and advertising the product and, even if the identities of contractual agency and trademark applicant are different, where it is deemed, based on circumstance of contract entry and thereafter (e.g., relationship between them, mode of business, agency), circumstance of trademark application, relationship between the mark and the designated product, and method of trademark use, that the difference was simply for convenience or formality to unduly avoid application of the above-mentioned provision, both parties have to be deemed substantially the same in its application. So, the titular applicant for trademark is an 'agent or representative' under that provision (See Supreme Court Decision 2001Hu2146 Apr 8, 2003).

2. Reasoning

- The compared trademark was registered in the Benelux countries, Paris Convention members as of application for this service mark.
- The designated product for the compared trademark and the designated service for this service mark are the same-kind or similar.
- The third-party company, as of application for this service mark, is an agent or representative of the holder of right for the compared trademark or was one within one year prior thereto.
- Given that ① the plaintiff and the third-party company ("the two") engage in the same line of business and are located in the same multi-unit building, ② the two have the same representative director(s) and inside director(s), ③ the two have the same shareholders and shareholding ratio thereof, ④

the third-party company received no payment from the plaintiff and, despite no legal requirement to do so, assigned to the plaintiff the right to register this service mark, changing the identity of service mark applicant from the third-party company to the plaintiff was simply out of convenience or formality to unduly avoid application of Article 23 (1) 3 of the Trademark Act. So, in applying that provision, it is reasonable to treat the plaintiff's 'agent or representative' as trademark right-holder.

- The plaintiff filed an application for this service mark with no justifiable ground (e.g., it failed to obtain consent of the right-holder of the compared trademark).
- Thus, this service mark cannot be registered under Article 23 (1) 3 of the Trademark Act.

3. Conclusion

Therefore, this service mark cannot be registered under Article 23 (1) 3 of the Trademark Act, and the IPTAB decision upholding refusal of service mark registration is lawful.

Patent Court Decision 2013Heo9263 decided May 29, 2014 [Refusal of Registration (Trademark)]

Boo-Gyu Kwak, Patent Court Judge

[Held]

The trademark of this case ("this trademark") (), with the 'shape and form of dung' as its motive, since it will instinctively be recognized by general consumers as 'dung-shaped bread' or 'dung bread' when used for 'bread' among the designated products, falls into Article 6 (1) 3 of the Trademark Act and cannot be registered.

[Summary of Decision]

1. Basis of decision

- Under Article 6 (1) 3 of the Trademark Act, a trademark composed only of a mark that indicates quality, efficacy, use, shape, etc. of the designated product in a commonly used method cannot be registered. Since a mark indicating matters such as set forth in Article 6 (1) 3 is a descriptive mark intended to describe product feature and often loses the function of product identification and, even if it retains such function, is an indication necessary to all transacting parties so its exclusive use by a person is against public interest (See Supreme Court Decision 2002Hu710 Jun 25, 2004, etc.).

2. Reasoning

- 'Dung-shaped bread' has been manufactured and sold by intervenor for the defendant, etc. since around November 2008, enjoying broad media exposure including news articles due to the fresh and unique idea of applying 'dung' shape and form to 'bread,' and speedily, widely

disseminating recognition of 'dung-shaped bread' thanks to Internet's fast transmission of information and trend-sensitive consumers' curiosity and desire for new experiences. So, it is reasonable to say that as of November 19, 2012 (the date of refusing registration of this trademark), 'dung-shaped bread' was well-known to general consumers. Thus, 'dung-shaped bread' cannot be registered as a three-dimensional trademark for the plaintiff only.

3. On the plaintiff's argument

- As for the argument that initial creator of 'dung-shaped bread' is the plaintiff, given that ① even if the shape of this trademark was created by the plaintiff, as this trademark is so well-known as to be intuitively recognized as 'dung-shaped bread' by the general consumers or traders, this trademark is subject to Article 6 (1) 3 of the Trademark Act, and ② it can also be recognized that intervenor for the defendant manufactured and sold 'dung-shaped bread' in places such as Insa-dong before the plaintiff did, the plaintiff cannot be deemed initial creator of 'dung-shaped bread.'
- As for the argument that the plaintiff made 'dung-shaped bread' famous, given that ① the defendant's intervenor, not the plaintiff, made 'dung-shaped bread' famous and ② expansion of the recognition made it easier for the general consumers or traders to intuitively recognize this trademark as 'dung-shaped bread,' although the plaintiff could be seen to have helped 'dung-shaped bread' gain fame by media PR, branch opening, etc., Article 6 (1) 3 of the Trademark Act shall apply here.
- As for the plaintiff's argument that the face engraved in this trademark created distinctiveness from other 'dung-shaped breads,' this trademark does not go beyond a generally adoptable form on the shape of 'dung-shaped bread' because, despite the engraving, freshness and uniqueness of this trademark comes from the fact that the bread is dung-shaped and, while the dominant feature attracting consumers' attention is the overall shape and form of bread wherein three oval-shaped figures with a dung motive are layered together horizontally to form a triangle, the engraved face is only incidental or supplemental (absorbed in the three-dimensional shape) as minute change or added decoration, and does not invoke a special

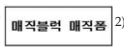
idea or offset the idea of three-dimensional 'dung-shaped bread.' Thus the engraved face, even when comprehensively considered, has no distinctiveness, and this trademark does not create a new distinctiveness nor use a special material that can attract consumers' attention to the bread.

- As for the argument that there is no reason why this trademark cannot be registered as carp-shaped, diamond-shaped, hippo-shaped, square-shaped, and girl head-shaped three-dimensional trademarks have been registered for designated products similar to that of this trademark, registerability as trademark has to be individually decided in relation to designated product and registrations of other trademarks cannot be the basis of registering a specific trademark (See Supreme Court Decision 2005Hu339 May 12, 2006, etc.). Also, three-dimensional trademark registrations presented by the plaintiff can be invalidated later due to lack of distinctiveness and, since it is deemed from cautious, evidence-based review of general consumers or traders' recognition on this trademark that the general consumers or traders can intuitively recognize this trademark as 'dung-shaped bread,' the plaintiff's argument that this trademark has to be registered based on prior registrations of three-dimensional trademarks with different shapes (carp, diamond, hippo, etc.) cannot be accepted.

Patent Court Decision 2012Heo11375 decided Sep 5, 2013 [Declaration of Scope of Right (Trademark)]

Jung-Hoon Park, Patent Court Judge

[Held]

'매직블럭'[1] in the disputed mark '  [2],' as at the IPTAB decision of this case, fell into a customarily used mark concerning 'cleaning sponge,' for which it was used, under Article 51 (1) 3 of the Trademark Act, so the disputed mark is not within the scope of the registered trademark (매직블럭).

[Summary of Decision]

1. Basis of decision

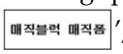
- A 'trademark commonly used for a product' under Article 51 (1) 3 of the Trademark Act, as a result of generally being used as the product's name in transactions of a specific type of product, is a mark recognized to refer to the product itself rather than indicate a product related to a person's business (See Supreme Court Decision 2003Hu243 Dec 26, 2003, etc.) and, whether all or part of the disputed mark falls into it in an IPTAB trial to declare the scope of trademark right has to be decided as at the IPTAB decision (See Supreme Court Decision 99Hu24 Nov 12, 1999, etc.).

2. Reasoning

- Given that ① 'Magic Block' has long been used to refer to cleaning sponge in many Internet shopping sites, ② the defendant, an exclusive licensee of

1) It means 'magic block' in English.

2) It means 'magic block magic form' in English.

the registered trademark of this case ("this trademark"), was issued a quality certification letter with 'Magic Block' as product name, and ③ there are many Internet postings wherein general consumers call cleaning sponge 'Magic Block,' the part '매직블럭' in the disputed mark '  ', as a result of generally being used as the name of cleaning sponge in its transactions as at IPTAB decision of this case, has become a mark recognized to refer to the product itself rather than indicate a product related to a person's business. Thus, the part '매직블럭' in the disputed mark ',' as it is a customarily used
mark under Article 51 (1) 3 of the Trademark Act concerning 'cleaning sponge' (the product using the mark), is not subject to the protection of this trademark whose designated product is 'oil stain-removing sponge [made of Melamin Resin Foam]' and is composed of '매직블럭.' Therefore, the disputed mark does not fall within the scope of this trademark.

Main term: Customarily used mark

Patent Court Decision 2014Heo935 decided Apr 25, 2014, Declaration of Scope of Right (Trademark)

Cheon-Woo Son, Patent Court Judge

[Summary of Decision]

Even if the letter part, separately recognizable, of a mark combining diagram and letter is not subject to the effect of a trademark right and so comparison between the registered trademark and the disputed mark has to be done by the diagram part, whether the mark is the same or similar can be decided by treating the letter thereof as an element comprising the appearance of the diagram based on the letter's form, size, and weight and location in the entire mark.

[Held]

1. Facts

	Defendant's registered trademark	Disputed mark
Mark		
Designated product	Ice cream	Ice cream

2. Basis of decision

Where a mark disputed in an IPTAB trial to declare the scope of trademark right is a combination mark composed of two or more letters and diagrams, even if only a part thereof, separately recognizable, falls into Article 51 (1) of the

Trademark Act, such mark is not subject to the effect of trademark right and, if any such part is included in the disputed mark, whether the disputed mark is subject to the effect of registered trademark right has to be decided, based on the remaining part, by the risk of misunderstanding or confusion on the source of product (See Supreme Court Decision 2013Hu2446 Dec 12, 2013, etc.). But, even if the letter, separately recognizable, of a diagram-letter combination mark is not subject to the effect of trademark right under Article 51 (1) of the Trademark Act and thus the registered trademark and the disputed mark have to be compared by the diagram, whether the mark is the same or similar can be decided by treating the letter as an element comprising the appearance of diagram considering the letter's form, size, and weight and location in the entire mark.

Similarity of trademark has to be decided by objectively, comprehensively, and separately observing compared trademarks in the three aspects of appearance, name, and idea to determine whether there is a risk of misunderstanding or confusion. Especially, since appearance leaves dominant impression in diagram trademarks, if appearance is the same or similar and both trademarks are used in same-kind product and there is a risk of misunderstanding or confusion on the source of product by general consumers, both trademarks shall be deemed similar (See Supreme Court Decisions 93Hu1605 Mar 22, 1994, 98Do2743 Dec 26, 2000, etc.).

3. Reasoning

A. In the disputed mark's letter, '서울 아이스크림,' 'Seoul' is a conspicuous geographical name under Article 51 (1) 3 of the Trademark Act, and 'ice cream' is a trademark indicating common name of the same product (ice cream) as in the disputed mark in a commonly used method under Subparagraph 2 of the same Paragraph. And as '서울 아이스크림' in the disputed mark is not subject to the registered trademark of this case ("this trademark"), the remaining part has to be used to decide whether there is a risk of misunderstanding or confusion with this trademark.

B. In this trademark ' 

,' as in '  ,' a white small circle reaches upper boundary in the upper part of a large circle and '  ' diagram, exaggerating the lower part of English Alphabet S, is located inside the small circle. In the

disputed mark '  ,' as in '  ,' a small circle reaches upper boundary in the upper part of a large circle and a band (white and thick) is formed outside the small circle. Both marks combine letters (two lines up and below) in the center of the large circle and under the small circle as in '서울 아이스크림.'

In this trademark's letter, '서울 아이스크림,' same as that of the disputed mark, 'Seoul' is a conspicuous geographical name under Article 6 (1) 4 of the Trademark Act and 'ice cream' is a trademark indicating common name of the same product (ice cream) as in the disputed mark in a commonly used method under Subparagraph 2 of the same Paragraph and has no distinctiveness, and '  ' inside the small circle could be recognized as English Alphabet 'S' but, being a simple and ordinary mark itself {Article 6 (1) 1 of the Trademark Act}, has no or little distinctiveness and otherwise cannot be deemed to invoke a special name or idea in connection with designated product and, since the disputed mark, composed of two circles, cannot be deemed to invoke a special name or idea in connection with the product using it, the name and idea of both marks cannot be compared.

C. In appearance, both marks have the same shape of combining two circles and placing the small circle at the upper border of the large circle as basic motive, the same size of small circle, and the same color (white) in the border area in contrast to that of large circle. Also, the small circle of this trademark contains ',' which seems to take the shape of Alphabet S, inside but, being a simple and ordinary mark itself, cannot be deemed separately recognizable. Its weight in the entire mark is small and, as in '  ,' there is a white border with the surrounding large circle so it can be recognized by the general consumers or traders as similar to that of the disputed mark ('  , a black, circular diagram with white background).' The letter part, either not subject to trademark right or having no distinctiveness, cannot be compared on its own but can be recognized as an element comprising appearance of the mark depending on its weight and location in the mark, etc. Letters in both marks have the same content and shape (font), have considerable weight in the mark with location in the center and below that as in '  ' and '  ,' and have the same size and location of the letter, making overall composition of both marks and impression therefrom similar. So, the appearance is similar if separately observed, despite some difference.

Thus, both marks, although their names and ideas cannot be compared, have similar appearance and a risk of misunderstanding or confusion among the general consumers or traders on the source of product when used in the same or similar product, and are thus similar.

D. Then, since the disputed mark is similar to this trademark and the product using the former is the same as designated product for the latter, the former is subject to the effect of the latter. The IPTAB decision of this case, reaching a different conclusion, is hereby revoked.

Articles

Non Bis In Idem of Finalized IPTAB Decision

Shin Kim, Patent Court Judge

I. Introduction

A finalized IPTAB decision has the effect of non bis in idem wherein 'no person can file a petition again on the case, based on the same fact and evidence.'

Non bis in idem of a finalized IPTAB decision on the one hand pursues 'stability of patent right or prevention of conflicting IPTAB decisions and economy of trial procedure' by allowing 'no person' to refile a petition, but on the other hand tries to maintain balance with 'a third party's interest in filing a petition for IPTAB trial "on voidable patents' by limiting its application to refiling of petition based on 'the same fact and evidence.' Especially, an interpretation balancing the contrasting interests mentioned above is required concerning 'reference point (referring to "reference point of time." Hereinafter the same) of non bis in idem' and scope of 'same evidence.' On the former, the Supreme Court changed its position from 'time of IPTAB decision' to 'time of petition for IPTAB trial' in 2009Hu2234 Jan 19, 2012 (*en banc*) but, on the latter, held on to its existing view by confirming the 'material evidence' position in 2012Hu1057 Sep 13, 2013. This article will conduct a critical review of the 'material evidence' position, the Supreme Court's position on the latter.

Also, this article will review desirable examination methods in cases where 'a person issued a favorable decision by making necessary assertions and proofs in an IPTAB trial makes no response in the litigation to revoke the IPTAB decision' (special situations often occurring in Patent Court cases) in connection with the scope of 'binding force of a judgment revoking IPTAB decision' and 'non bis in idem of a finalized IPTAB decision.'

II. Main Discussion

1. Meaning and basis of non bis in idem

Article 163 of the Patent Act provides, "When an IPTAB decision becomes final pursuant to this Act, with regard to the case, no person may petition for IPTAB trial again on the basis of the same fact and evidence: Provided, That this shall not apply where the finalized IPTAB decision is a rejection," which is called non bis in idem of a finalized IPTAB decision. Article 33 of the Utility Model Act applies this provision mutatis mutandis, and Article 72-27 of the Design Protection Act and Article 77-26 of the Trademark Act provide for the same.

The basis of non bis in idem includes maintaining trust and authority of finalized IPTAB decisions by preventing contradicting IPTAB decisions, and avoiding the inconvenience that IPTAB has to try the same case again or that respondent has to respond to the same case again by preventing abuse of petitions and promoting economy of IPTAB trial.

2. Concepts Distinguished

A. Non bis in idem of final criminal judgment

When a substantive guilty or innocent judgment or an indictment-acquitting judgment is finalized, in principle, no re-examination or re-decision on the facts of indictment decided and all other facts identical therewith as of the date of final trial court judgment is allowed ('non bis in idem of final criminal judgment')[1] concerning the indicted defendant even if new evidence is discovered later. That is, non bis in idem of final criminal judgment only applies to indicted defendants in principle, and notwithstanding discovery of new evidence.

B. Res judicata of final civil judgment

When a civil judgment is finalized, in principle, a party thereto cannot seek a decision conflicting with the conclusion of such judgment based on claims or evidences that could be submitted as of closing date of the final trial court and the court of the latter litigation, when such claims or evidences are submitted, has to exclude them ('res judicata of final civil judgment')[2]. That is, res judicata of

1) *See* Jae-Sang Lee, Laws of Criminal Procedure (2d Ed.), Pakyoungsa Publishing, p678~683
2) *See* Si-Yun Lee, Laws of Civil Procedure (6th Ed.), Pakyoungsa Publishing, p585~623

final civil judgment only applies between the parties thereto in principle and to the facts and evidences that could be submitted as of the closing date of the final trial court, even if different from those actually submitted in the previous litigation.

C. Difference in effect from final civil or criminal judgment

Non bis in idem of finalized IPTAB decision is characteristic in that, unlike a final civil or criminal judgment, it exerts effect on 'third parties' as well as 'indicted defendants' or 'litigation parties' (expansion of subjective scope), and even an IPTAB trial based on the 'same fact,' unless based on the 'same evidence,' is excluded (reduction of objective scope).

3. Requirements of non bis in idem

Non bis in idem of finalized IPTAB decision only applies to a petition for the 'same trial' based on the 'same fact' and 'same evidence.' So, a petition for IPTAB trial based on the same fact but different evidence or a petition for IPTAB trial based on the same evidence but different fact, as well as IPTAB trial that is not the same, is not violation of non bis in idem.

A. Same fact

'Same fact' means a specific fact concerning the same right and based on the same ground.

B. Same evidence

There are many views on 'identicalness' between evidence of a finalized IPTAB decision and that of a new petition for IPTAB trial, and which view to adopt will materially affect the scope of non bis in idem. This will be reviewed in detail in Paragraph 6 below.

C. Same trial

Article 163 of the Patent Act provides 'concerning the case … cannot petition for trial again' based on the same fact and evidence and the term "trial" here is generally interpreted as the 'same trial,' a trial of the same right (object of claim)

and type. On whether a trial is the same type, an appeal to refusal and a petition for registration invalidation are not the same, but active and passive trials to declare the scope of right have to be deemed the same because the two are no different concerning specific facts required to be fixed in a "trial to declare the scope of right."[3] A petition for correction and that for correction invalidation have similar aspect to the above but IPTAB's acceptance of correction and petition for correction invalidation shall not be deemed the same because to do otherwise would be denying "correction invalidation" proceeding itself. However, petitioning for correction based on what is finally voided by a decision invalidating correction has to be prohibited (same trial).[4]

D. Facts and evidence in the reasoning of IPTAB decision

It is required that same facts and evidence, the criteria of objective scope of non bis in idem, were mentioned in the reasoning of a finalized IPTAB decision because there is no contradiction of IPTAB decisions if the facts and evidences are not mentioned in the reasoning.

Where facts and evidence not mentioned in the reasoning of an IPTAB decision are newly submitted in a litigation to revoke the decision and mentioned in the reasoning of the court judgment, whether to consider them on the objective scope of non bis in idem is an issue. The Supreme Court, except when applying 'restrictive' position in disputes with, and filed against, the KIPO, for purpose of protecting opportunity to submit opinion, in principle adopts a 'non-restrictive' position,[5] and an interpretation that excludes facts or evidence mentioned in the reasoning of judgment from the objective scope of non bis in idem is hard to accept because it restricts the basis of the 'non-restrictive' position.[6] So, where IPTAB dismisses a petition for patent invalidation and then the plaintiff (petitioner) submits a new fact or evidence in the litigation to revoke

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3) *See* Supreme Court Decisions 2012Hu757 decided May 24, 2012, 2003Hu427 decided May 26, 2006, 75Hu18 decided Jun 8, 1976.

4) *See* Sang-Jo Jeong & Seong-Su Park, Commentaries on Patent Act Ⅱ, Pakyoungsa Publishing, 2010, p638 (the part authored by Jeong-Hee Park).

5) Supreme Court Decisions 2000Hu1290 decided Jun 25, 2002, 2007Hu4410 decided May 28, 2009, etc.

6) *See* Taek-Su Kwon, "Principle of non bis in idem," Studies of Patent Litigation Vol. 1, Patent Court, p156.

IPTAB decision but the Patent Court, after adopting such fact or evidence, dismisses the plaintiff's claim and then the judgment is finalized, all facts and evidences submitted in IPTAB trial and litigation and mentioned in their reasoning belongs to the objective scope of non bis in idem. And, where an IPTAB decision dismissing a petition pursuant to a finalized judgment revoking IPTAB's acceptance of petition for invalidation is finalized, even if the latter IPTAB decision does not mention the facts and evidences mentioned in the reasoning of the finalized judgment, since the IPTAB decision literally quoted the reasoning of finalized judgment (binding force of a judgment revoking the former IPTAB decision), the facts and evidences mentioned in the reasoning of judgment belong to the objective scope of non bis in idem.

4. Effect of non bis in idem

Non bis in idem of finalized IPTAB decision not only has effect against a party thereto or its successor but against general third parties (third-party effect). Since non bis in idem is a condition for commencement of IPTAB trial to be legal, a petition for IPTAB trial in violation thereof has to be rejected for illegality (*See* Article 142 of the Patent Act).

5. Reference Point in Time of non bis in idem

There have been many controversies over whether the time of petition for IPTAB trial or that of IPTAB decision has to be reference point for finalization of IPTAB decision under Article 163 of the Patent Act. Supreme Court had been applying 'time of IPTAB decision' position[7] but, acceding to criticism thereof[8], held in 2009Hu2234 Jan 19, 2012 (*en banc*), 「According to our previous position that non bis in idem under Article 163 of the old Patent Act has to be applied as at IPTAB decision, not petition for IPTAB trial, where multiple petitions are filed

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7) Supreme Court Decisions 97Hu3661 decided Jun 23, 2000, 2003Hu427 decided May 26, 2006.

8) *See* Patent Court Intellectual Property Litigation Practice Society, Practice of Intellectual Property Litigation (Fully revised), Pakyoungsa Publishing, p125~126, *See* Sang-Jo Jeong & Seong-Su Park, *supra* note 1, p641~643 (the part authored by Jeong-Hee Park), Chung-Jin Oh, "Criteria of non bis in idem," Studies of Patent Cases (2012), Pakyoungsa Publishing, p910~911, etc.

based on the same fact and evidence for the same patent and IPTAB decision in one of them is finalized while a litigation to revoke the other IPTAB decision (the first IPTAB decision) is pending, even if the court revokes the first IPTAB decision on the ground that its petition has merit, the IPTAB has to reject petition due to non bis in idem when issuing a decision again on the petition under Article 189 (1) and (2) of the Patent Act. But this makes a procedure conducted by the petitioner for its own interest ab initio illegal due to a random circumstance (finalization of IPTAB decision) and may overly infringe on the right to trial under the Constitution, making court judgments revoking IPTAB decision meaningless. Further, under Article 163 of the old Patent Act that uses the language "any person" on the subjective scope of non bis in idem, neither a party to finalized IPTAB decision or its successor nor any other person can file the same petition based on the same fact and evidence, so over-expanding the subjective scope will restrict the right to trial. Under the language of Article 163 of the old Patent Act that just says 'may not petition for IPTAB trial,' however, after an IPTAB decision is finalized, a petition for new IPTAB trial based on the same fact and evidence as in previous petition is simply not permitted. So, a contradicting interpretation that where an IPTAB decision is already finalized when an IPTAB decision is about to be issued for another petition, although not so when the petition was filed, the petition can become ab initio illegal under non bis in idem cannot be deemed reasonable. Then, whether non bis in idem principle renders a petition for IPTAB trial illegal has to be decided as of the time the petition is filed and, if another IPTAB decision based on the same fact and evidence is finalized only after such petition is filed, the petition cannot be deemed illegal under non bis in idem」, thus changing its position to 'time of petition for IPTAB trial'.

This change in the Supreme Court's position on 'reference point of non bis in idem,' in connection with 'third-party effect' of non bis in idem, can be evaluated as guarding against expansion of non bis in idem and, in specific cases where conclusions differ between 'time of IPTAB decision' position and 'time of petition for IPTAB trial' position, as giving priority to 'a third party's interest in petition for IPTAB trial on voidable patent' over 'stability of patent right through prevention of contradicting IPTAB decisions and economy of IPTAB trial.'

6. Meaning of 'same evidence' in non bis in idem

A. Scholarly views

The following positions concern the meaning of 'same evidence' in the objective scope of non bis in idem, among which 'evidence form' position, 'issue evidence' position, and 'identical evidence' position are classified as narrow view, and 'material evidence' position and 'evidence in same statute' position as broad view.

1) 'Evidence form' position: Evidences are the same where they are to prove the same fact and are entirely the same in form.

2) 'Issue evidence' position: Evidence on an issue recognized in previous IPTAB decision, even if new, is the same evidence (retrial not permitted), while evidence on an issue rejected in previous IPTAB decision, regardless of its evidence value, is not the same evidence (retrial permitted).

3) 'Identical evidence' position: Evidences are the same where their contents are substantially the same despite difference in source (e.g., disclosed patent bulletin vs. explanation of product working the patent).

4) 'Material evidence' position: Same evidence means one that is not so material as to reverse a finalized IPTAB decision. This emphasizes evidence value and interprets 'same evidence' broadly. Even if a new evidence is added or newly submitted in the new IPTAB trial, evidence is the same if it is difficult to reverse the previous finalized IPTAB decision, but not the same if the conclusion of decision changes from that of the previous finalized IPTAB decision.

5) 'Evidence in same statute' position: Evidences used to prove requirements of the same statute provision by relating the same fact and evidence, despite difference in content, are the same and is subject to non bis in idem.

B. Supreme Court judgments

Supreme Court, holding 'same evidence in non bis in idem principle includes

not only one same as that of a previous finalized IPTAB decision but one not so material as to reverse such IPTAB decision,'[9] supported the 'material evidence' position, and confirmed the same recently in 2012Hu1057 Sep 13, 2013 by holding 'where decision on a subsequent petition for IPTAB trial cannot be deemed substantially contradicting basic reasoning of a finalized IPTAB decision (e.g., prior art in the evidence of a previous finalized IPTAB decision is additionally, supplementarily combined with that in an evidence so material as to reverse conclusion of the finalized IPTAB decision, in reaching a decision), even if the finalized IPTAB decision and its conclusion are thus changed, there is no violation of non bis in idem.'

C. Review

The effect of non bis in idem of finalized IPTAB decision, unlike that of final criminal or civil judgment, applies only to retrials based on the 'same evidence' and even a same petition for IPTAB trial based on the same fact, if not based on the 'same evidence,' is permitted. Since a finalized IPTAB decision, unlike final civil or criminal judgment, becomes effective against a third party not directly involved therein as well as parties thereto, if a third party's petition for IPTAB trial that can sufficiently prove invalidity of patent by new evidence is blocked in cases where a party fails to submit necessary evidence (a poor job of conducting trial) and the petition for patent invalidation is rejected, not only is the third party's interest harmed but grant of patent for a non-patentable invention is against the goals of patent system. Thus, by preventing contradicting IPTAB decisions and achieving economy of IPTAB trial on the one hand and protecting a third party's interest in the petition for IPTAB trial on the other, it broadly paves the road for invalidating patented, non-patentable inventions.

Concerning non bis in idem of finalized IPTAB decision, the narrow view on 'same evidence' stresses 'a third party's interest in petition for IPTAB trial on voidable patent' more, while the broad view stresses 'patent right stability through prevention of contradicting IPTAB decision and economy of IPTAB trial' more, thus requiring a well-balanced interpretation between the conflicting interests.

'Evidence form' position is not justified because it interprets the scope of

9) Supreme Court Decisions 2004Hu42 decided Mar 11, 2005, 2003Hu1567 decided Dec 26, 2003, 99Hu2402 decided Jun 26, 2001, 2000Hu1412 decided, Oct 27, 2000, etc.

same evidence too narrowly (scope of retrial too board) and can harm the goal of non bis in idem (prevention of abuse of petitions). 'Issue evidence' position is not justified either. It shows little difference from 'evidence form' position since non bis in idem generally becomes an issue when a new evidence is submitted for an issue rejected in previous IPTAB decision and there is a good chance that relation to the rejected issue will be decided based on the statement of evidence-submitting party. Also, 'evidence in same statute' position is not justified as it is against Article 163 of the Patent Act (requirements of non bis in idem being 'same fact and evidence,' not 'same fact'), and practically blocks the means of invalidating patented, non-patentable inventions.

Between 'identical evidence' position and 'material evidence' position which are actually adoptable, 'material evidence' position (position of the Supreme Court) has the following problems.[10)]

First, this position is confused between legality of petition for IPTAB trial and substantive issues. That is, in deciding whether non bis in idem (condition for legality of petition for IPTAB trial) is applicable, it does not compare the evidence submitted in the new petition with that submitted in the finalized IPTAB decision but with the invention in deciding the inventive step, resulting in IPTAB's rejection or acceptance decision but no dismissal.

Second, under this position, examination of merit has to be almost completed in order that whether to apply non bis in idem can be decided, thus barely helping economy of IPTAB trial.

Third, if this position is consistently applied, a new evidence that is entirely different from that of, but alone cannot reverse, the finalized IPTAB decision will be deemed same evidence[11)], which is an excessively broad interpretation not

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10) For critical view on 'material evidence' position, *see* Sang-Jo Jeong & Seong-Su Park, *supra* note 1, p639~640 (the part authored by Jeong-Hee Park), Chung-Jin Oh, *supra* note 61, p909, Taek-Su Kwon, supra note 60, p162, etc.

11) Patent Court, in 2006Heo732 decided Sep 28, 2006 (appeal to Supreme Court summarily dismissed), held 'where only such evidence as is entirely different from that of previous finalized IPTAB decision is submitted, such evidence cannot be deemed same evidence regardless of whether it is sufficient for a conclusion different from the previous finalized IPTAB decision, non bis in idem does not apply.' This judgment is evaluated "as meaningful in separating decision on non bis in idem principle (condition for legality of trial) and inventive step (substantive requirement of invention)." {Ra-Ok Woo, "Study of cases on 'same evidence' in application of non bis in idem principle," Intellectual Property Right Vol. 24 (Mar 2008), Intellectual Property Right Law Institute}.

concurring with the language of Article 163 of the Patent Act.

Fourth, the provision on third-party effect of non bis in idem was imported from the old Patent Act of Japan, which was originally imported from the old Patent Act of Austria, but these provisions were abolished in Austria in 1973 by the Constitutional Court and in Japan in 2011 by Patent Act amendment on the ground of excessive restriction on a third party's right to trial. In Korea, there is a view that legislative review of third-party effect of non bis in idem is necessary.[12] With criticism on a provision that expands subjective scope of non bis in idem, it would not be desirable to expand the scope of non bis in idem by expanding the meaning of 'same evidence' related to its objective scope. In connection with that, Supreme Court, in 2009Hu2234 Jan 19, 2012 (*en banc*) mentioned above, decided to the effect that the court has to guard against expanding the scope of 'third-party effect' of non bis in idem and, although decisions on 'reference point' and those on 'same evidence' of non bis in idem are different in terms of sphere of application, etc., it is awkward for the Supreme Court to guard against expanding the scope of non bis in idem in the former decisions while expanding the scope thereof in the latter.

Fifth, where evidence submitted in the new petition for IPTAB trial is neither substantially the same as that mentioned in the reasoning of finalized IPTAB decision (first IPTAB decision) nor material as to reverse the finalized IPTAB decision, under the 'identical evidence' position, the new petition for IPTAB trial (second petition) does not violate non bis in idem so IPTAB will examine the merit and 'dismiss' it but, under the 'material evidence' position, the new petition will be 'rejected' as violation of non bis in idem. Where the petitioner petitions for a third and fourth new trial after the second IPTAB decision is finalized and submits evidence substantially the same as that of the second decision, under the 'identical evidence' position, the second decision ('dismissal') is covered by non bis in idem so IPTAB need not decide the merit of the third and fourth petition and the opposing party can avoid the inconvenience of responding to trial again (economy of IPTAB trial) while, under the 'material evidence' position, the second decision ('rejection') is not covered by non bis in

12) *See* Sang-Jo Jeong & Seong-Su Park, supra note 1, p641~642 (the part authored by Jeong-Hee Park) Jong-Seok Kim, "Reference point of non bis in idem principle," The Judiciary Vol. 20 (Jun 2012), Judicial Development Foundation, p240, etc.

idem so IPTAB has to decide the merit of the third and fourth petition again and the opposing party has to respond to trial again (non-economy of IPTAB trial compared to 'identical evidence' position).

Thus, 'identical evidence' position, with strengths that it is faithful to the language of Article 163 of the Patent Act (non bis in idem), can easily decide identicalness of evidence before merit examination, and concurs with the fact that non bis in idem is condition for legality of petition for IPTAB trial, is more reasonable than 'material evidence' position as criticized above.

There may be criticism that the concept of identicalness in the 'identical evidence' position is unclear but, by establishing a concept complying with non bis in idem through discussions and court decisions on substantial identicalness of evidence, such criticism could sufficiently be overcome.

Also, there can be an opposing view that in special cases (e.g., 'a patentee has its colluder file a petition to invalidate patent, submit as evidence a material compared invention that can deny the patent's inventive step, intentionally omit the combination of compared invention denying the inventive step (poor job of assertion), have dismissal of claim issued and finalized, and use third-party effect of non bis in idem to block a third party from refiling petition based on the same evidence and same fact'), 'material evidence' position may lead to solutions with specific reasonableness, but the above-mentioned problem has to be solved in a fundamental manner through ex officio examination (Article 159 of the Patent Act) or appeal to fraudulent IPTAB decision (Article 179 of the Patent Act) and, if that is not enough, through Constitutional Court review or legislative review on unconstitutionality of third-party effect of non bis in idem.

Under 'identical evidence' position, where a petition to invalidate patent is refiled by adding new evidence other than mentioned in the reasoning of a finalized IPTAB decision, whether the patent can be voided by evidence decided in the previous IPTAB trial alone regardless of the new evidence is an issue.[13] There is a view that once a petition for retrial is permitted as not violating non bis in idem, a patent can be voided by evidence decided in the previous IPTAB

13) Under 'material evidence' position, it will certainly be denied. In connection with that, the Supreme Court, in Decision 2012Hu1057 decided Sep 13, 2013, held to the effect that concerning petition for same IPTAB trial based on the same fact), substantially contradicting basic reasoning of the previous finalized IPTAB decision (e.g., different interpretation of evidence) is not permitted under non bis in idem principle.

trial alone regardless of holdings in the finalized IPTAB decision, which is not justified because it directly conflicts with the goal of non bis in idem (preventing contradicting IPTAB decisions and maintaining trust and authority of finalized IPTAB decisions). Even under 'identical evidence' position, it would be reasonable that non bis in idem, in the above-mentioned case, not only has a passive meaning (petition for retrial is not rejected for being illegal) but an active meaning (patent cannot be voided by evidence decided in the previous IPTAB trial alone).

7. Examination method for special cases; binding Efect and non bis in idem of judgment revoking IPTAB decision

A. Special cases

There are cases where a petitioner for patent invalidation, after obtaining a favorable IPTAB decision (claim accepted), fails to respond in the subsequent litigation (e.g., neither submit answer or evidence nor attend trial). This can occur because IPTAB trial records are not transferred to Patent Court as the two have no hierarchial relationship and, in a Patent Court litigation to revoke IPTAB decision, unlike in IPTAB's patent trial governed by "ex officio examination" applied, "party-led finding of facts" (litigating system where the parties are responsible for asserting and proving facts) is the principle so a party who did assert and prove before the IPTAB has to do it again in the litigation. So how (by what examination method) to handle this situation is an issue related to the scope of binding force of judgment and non bis in idem. This problem also occurs where a trademark right-holder did assert and prove trademark use in an IPTAB trial to revoke trademark for non-use and obtained a favorable decision (claim dismissed) but does not do so in the litigation to revoke IPTAB decision. The following is an explanation related to patent invalidation situation but the same logic applies to trademark revocation for non-use.

B. Examination method

1) Ex officio-type examination method

Under this method, the court has the plaintiff (respondent) submit IPTAB decision, evidence cited therein, and registered right, and examine whether the

registered right is voidable as asserted by the defendant (petitioner) in the IPTAB trial, and then decides based thereon.[14)]

2) Examination method faithful to "party-led finding of facts"

As the defendant (petitioner) bears the burdens of assertion and proof on the grounds of registration invalidation in a litigation, if he/she fails to assert or prove such grounds, the IPTAB decision invalidating the registration has to be revoked.[15)]

3) Review

The rationale for ex officio-type examination method includes: generally the plaintiff's assertion of illegality of IPTAB decision includes grounds of registration invalidation asserted by the defendant (petitioner) in the IPTAB trial so if it can be deemed that there is assertion on such grounds; where an IPTAB decision is revoked by a court judgment on the ground that the petitioner thereof did not assert or prove in the litigation but the petitioner again asserts or proves in the new IPTAB trial, if the judgment has binding force, the conclusion of the new IPTAB decision can contradict the facts and cast a big doubt on its legitimacy and, if the judgment has no binding force, the conclusion of the new IPTAB decision will be the same as the previous one and same litigation procedure will ensue (meaningless repeat of procedure); and under the examination method faithful to "party-led finding of facts," it is possible to induce a judgment revoking IPTAB decision and an IPTAB decision of dismissal by the parties' collusion and, since non bis in idem of finalized IPTAB decision has third-party effect, there occurs an unreasonable result that a third party cannot refile a petition based on the same fact and evidence either.

However, given that ① the plaintiff's burden of assertion in a litigation to revoke IPTAB decision is limited to grounds of illegality and, if the plaintiff's assertion of such grounds is deemed to include grounds of registration invalidation, the plaintiff (registered right-holder) is made to voluntarily make

14) Patent Court Decision 2000Heo952 decided Jun 15, 2000 (appeal to Supreme Court summarily dismissed)

15) Patent Court Decisions 2005Heo4546 decided May 18, 2006 (finalized), 2005Heo10565 decided Jul 19, 2006 (finalized), etc.

unfavorable assertion that his/her right has grounds of invalidation, an unjustified result, so the plaintiff's mentioning of invalidation grounds in the complaint cannot be deemed assertion of grounds for registration invalidation, ② in a litigation to revoke an IPTAB decision invalidating registration, there are cases where the plaintiff (respondent) voluntarily submits unfavorable evidence submitted to the IPTAB but, if the plaintiff fails to do so, its submission cannot be forced, ③ where the defendant (petitioner) fails to respond, there can be cases where the plaintiff voluntarily or by the court's recommendation submits unfavorable evidence or cases where he/she refuses to do so and, under ex officio-type examination method, there occurs an unfair result wherein the plaintiff submitting unfavorable evidence can have his/her right voided by the evidence while the plaintiff refusing to do so does not, ④ if a judgment revoking IPTAB's acceptance of petition is finalized on the ground that there is no assertion or proof, the IPTAB cannot repeat a decision same as its revoked decision in conclusion so there is no risk of repeating the same IPTAB and court procedure, and generally invalidation of patent registration is just a dispute between an interested party and right-holder (private parties)[16] so a conclusion contradictory to facts and unfavorable to the petitioner failing to respond in the litigation is not necessarily unjustified, ⑤ the IPTAB, if there seems a material public interest need to invalidate patent (e.g., the parties' disabling of invalidation through collusion), has an examiner file a petition to invalidate patent, and ⑥ where a new IPTAB decision is issued subject to a judgment revoking previous IPTAB decision on the ground that the defendant (petitioner) failed to argue or prove, given that fact and evidence mentioned in the finalized IPTAB decision or those same as the above and mentioned in the subsequent IPTAB decision do not belong to the objective scope of non bis in idem and so a third party can petition for registration invalidation again based on the same, it is deemed that examination faithful to "party-led finding of facts" is more desirable than ex officio-type examination as a method of handling the above-mentioned special cases.[17]

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16) It is rare that the examiner becomes a petitioner but, in such case, the respondent will rarely fail to respond.

17) *See* Gap-Shik Roh, "Burden of assertion and proof in lawsuit to revoke IPTAB decision (Review per litigation type)," Studies of Patent Litigation Vol. 4, Patent Court, p9~12.

C. Binding Effect and non bis in idem of judgment revoking IPTAB decision subject to examination method faithful to "party-led finding of facts" - Scope

In the above-mentioned special cases, assuming that a judgment revoking IPTAB decision is finalized using the examination method faithful to "party-led finding of facts" and IPTAB then has to issue a second decision, there were many controversies, related to interpretation of binding force of judgment revoking IPTAB decision[18], on whether the same conclusion as the first IPTAB decision can be made based on evidence submitted in the first trial.[19] The Supreme Court, in 2001Hu96 Dec 26, 2002, held 'where a judgment revoking IPTAB decision is finalized, basic reasoning of the revocation binds the IPTAB in the same case and, since binding force in that case concerns error in the IPTAB decision's factual and legal findings justifying revocation, unless there is extraordinary circumstance (e.g., new evidence is submitted in post-revocation examination and changes evidential base of the binding judgment), IPTAB cannot reach the same conclusion as its previous decision on the same ground as decided illegal in the finalized judgment. Here, new evidence means, at a minimum, evidence that was not adopted and examined in the IPTAB trial issuing the revoked decision or the litigation to revoke IPTAB decision and can sufficiently reverse the conclusion of judgment revoking the IPTAB decision,' expressly decided that in the above-mentioned case, evidence submitted in the first IPTAB trial may not be deemed new and IPTAB's reaching the same conclusion as its previous decision is violation of binding force and illegal, thus ending the controversy on interpretation of binding force of a judgment revoking IPTAB decision. According to IPTAB's current practice in the second decision pursuant to a finalized judgment revoking its former decision, only binding force, not fact and evidence of previous decision, is reviewed.[20]

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18) Article 189 (2) and (3) of the Patent Act provides that when a judgment revoking IPTAB decision is finalized, IPTAB has to examine the case and issue a decision again and, in such case, has to be bound by basic reasoning of the above-mentioned judgment.

19) For details, see Practice of Intellectual Property Litigation (3d Ed.), Patent Court Intellectual Property Litigation Practice Society, Pakyoungsa Publishing, p110~111, Ki-Jung Kang, "Binding force of finalized judgment revoking IPTAB decision," Studies of Patent Litigation Vol. 2, Patent Court, p81~82, Myeong-Gyu Lee, "Admission and deemed admission of fact in lawsuit to revoke IPTAB decision," Studies of Patent Litigation Vol. 2, Patent Court, p111~113, etc.

20) IPTAB Decisions 2006Dang90 Sep 11, 2006 (revoked by court), 2006Dang140 (revoked by court) Sep 27, 2006, etc.

According to this position of the Supreme Court, there is doubt that a patent that has to be voided as being against the fact due to the party's inducing of IPTAB decision-revoking judgment and IPTAB decision (dismissal) through collusion remains valid and an unreasonable result ensues wherein a third party cannot refile a petition for trial based on the same fact and evidence non bis in idem. But, since an IPTAB decision revoked by a finalized judgment has no effect, fact and evidence mentioned therein naturally do not belong to the objective scope of non bis in idem so the second IPTAB decision, subject to binding force of judgment, only need to state a determination thereon in its reasoning and need not list the fact and evidence mentioned in the previous decision, and any such listing shall be excluded from the objective scope of non bis in idem as unnecessary. So, a third party's refiling of petition for patent invalidation based on the same fact and evidence does not violate non bis in idem and, if there is deemed a material public interest need to invalidate patent (e.g., disabling of IPTAB's patent invalidation due to the parties' collusion), the IPTAB has an examiner file a petition to invalidate patent, thus sufficiently resolving the above-mentioned doubt.

III. Conclusion

With respect to non bis in idem of a finalized IPTAB decision, there is a tension between 'stability of patent right through prevention of contradicting IPTAB decision and economy of IPTAB trial' and 'a third party's interest in petition for IPTAB trial on voidable patent,' so balancing of these conflicting interests is important. As for this, the Supreme Court, on the 'reference point in time of non bis in idem,' used to apply 'time of IPTAB decision' but, in 2009Hu2234 Jan 19, 2012 (*en banc*), changed its position to 'time of petition for IPTAB trial,' thus cautioning against expanding the scope of 'third-party effect' of non bis in idem and placing heavier emphasis on 'a third party's interest in petition for IPTAB trial on voidable patent.' But the Supreme Court, confirming 'material evidence' position, its existing position on 'same evidence' in 2012Hu1057 Sep 13, 2013, continues expanded application of non bis in idem. 'Material evidence' position, as shown above, has problems, and 'identical evidence' position may be worth listening to as an alternative.

In cases where 'a party making necessary assertions and proofs in the IPTAB trial and being issued a favorable decision makes no response in the subsequent litigation to revoke the IPTAB decision' (special case often seen in Patent Court cases) and in similar cases, on the ground shown above, 'examination method faithful to "party-led finding of facts"' is correct and, under such method, there will be no problem as claimed by 'ex officio-type examination method' in connection with the scope of 'binding force of a judgment revoking IPTAB decision' and 'effect of non bis in idem.'

In the future, in-depth research and discussions on "non bis in idem" of finalized IPTAB decision are expected.

Heterogeneous Effect of Invention Defined by Numerical Limitation

- Supreme Court Decision 2008Hu4998 decided Aug 19, 2010, Invalidation of Registration (Patent) -

Jong-Seon Choi, Patent Court Judge

I. Overview of facts

1. The defendant is a right-holder of a patented invention named 'High-luminance, electrodeless, low-pressure light source and the method of operating it' (hereinafter 'this invention'). The scope of patent for this invention includes: electrodeless lamp that includes a closed-loop, tubular lamp envelope (12) enclosing 'mercury vapor and buffer gas (10) (hereinafter 'Claim limitation 1'); transformer core disposed around the said lamp envelope (12) and includes ferrite material (22) (hereinafter 'Claim limitation 2'); input winding disposed on the said transformer core (22) (30) (hereinafter 'Claim limitation 3'); and electric lamp assembly that includes high-frequency electric power coupled to the said input winding to supply sufficient high-frequency energy to the said mercury vapor and buffer gas so that a discharge with electric current occurs at the said lamp envelope (12) (hereinafter 'Claim limitation 4'); and numerical limitation of less than 0.67mbar (0.5 torr) of buffer gas pressure and 2 ampere or more of discharged current (hereinafter 'Claim limitation 5'), with characteristics of the invention consisting in Claim limitation 5 that limits the values of buffer gas pressure and discharged current.

2. The plaintiff, an interested party, arguing that this invention's inventive step is denied by an invention published in US Patent Gazette No. 4017764 (hereinafter 'compared invention No. 1') and an invention published in US Patent Gazette No. 3500118 (hereinafter 'compared invention No. 2'), filed with the IPTAB a petition for patent invalidation against the defendant (patentee) on December 14, 2006. The IPTAB dismissed the plaintiff's petition

on September 11, 2007 on the ground that Claim limitations 1 through 4 of this invention are disclosed in the compared invention No. 2 but Claim limitation 5, a technical claim limitation that simultaneously meets the requirements of buffer gas pressure and discharged current, cannot be found in the compared inventions. And this invention has a unique synergy reducing coil loss but enhancing light-emitting efficiency that cannot be expected in the compared inventions. Thus, inventive step cannot be denied.

3. The plaintiff on September 20, 2007 filed to the Patent Court a lawsuit (2007Heo8535) to revoke the IPTAB decision and argued that inventive step of this invention is denied by compared invention No. 2, an invention published in the US Patent Gazette No. 5013975 (hereinafter 'compared invention No. 3') and an invention published in Japan Patent Gazzette Heisei No. 7-94141 (hereinafter 'compared invention 4'). Patent Court dismissed the plaintiff's claim on November 13, 2008 on the ground that between this invention and compared invention No. 3, Claim limitations 3 and 4 are the same while Claim limitations 1, 2, and 5 have difference and claim limitations with such difference cannot easily be derived even considering compared inventions No. 1 and 2. Thus, inventive step is not denied.

4. The plaintiff on November 21, 2008 filed an appeal (2008Hu4998) to the Supreme Court on the ground that this invention is only different from compared invention No. 2 in the numerical range of Claim limitation 5 (remaining claim limitations being the same). Thus, the said numerical range has to have criticality but this invention's specification has no statement to recognize criticality, and the technical idea that core loss can be reduced by strengthening discharged current has already been disclosed in US patent bulletin No. 4128785 (hereinafter 'compared invention No. 5') submitted as reference materials, etc.

II. Held

Appeal dismissed.

1. Where a invention expresses, by numerical limitation, the range of a publicly-known invention's component before patent application and the task and effect of the invention is an extension of the publicly-known invention (the only difference being numerical limitation), unless there is a conspicuous difference in effect within and around the range of numerical limitation, the invention is a simple numerical limitation that a person of ordinary skill in the art in the relevant field can properly select through common and repetitive tests and its inventive step is denied. However, if the invention has another component enabling inventive step and numerical limitation is only supplementary or, despite identicalness in both inventions' claim limitations (except numerical limitation), if the numerical limitation is a technical means of achieving a task different from that of a publicly-known invention and has heterogeneous effect, inventive step of the invention shall not be denied on the ground that numerical limitation lacks criticality.

2. Compared invention No. 2 has the same claim limitation as Claim limitations 1 through 4, except that the former has buffer gas pressure of between 1 torr and 5 torr and discharged current of between 0.25 ampere and 1.0 ampere while Claim limitation 5 has buffer gas pressure of less than 0.5 torr and discharged current of 2 ampere or more. But compared invention No. 3 concerning globular 'electrodeless discharge lamp' states that neon gas pressure is 0.3 torr through 3.0 torr and that neon gas pressure of less than 0.3 torr makes discharge commencement comparatively difficult and that of 3.0 torr or more makes discharge commencement easy but lowers optical power. So even considering lamp shape difference, this invention that attempts to improve optical power by lowing buffer gas pressure is an extension of compared invention No. 3 and, since the specification of this invention has no statement to decide that conspicuous difference in effect occurs at and around the limited numerical range of buffer gas pressure, it is a simple numerical limitation that a person of ordinary skill in the art can properly select through common and repetitive tests. But discharged current of 2 ampere or more in this invention is a technical means selected to solve the task of reducing core loss in closed-loop electrodeless lamp while compared invention No. 3 has no statement on the range of discharged current and compared invention No. 2,

with range of discharged current between 0.25 ampere and 1.0 ampere, neither states nor implies reduction of core loss by setting discharged current level high. Further, this invention has a clearly different effect (core loss reduction through numerical limitation of the range of discharged current) from those of compared inventions so, although this invention's specification does not clearly show criticality of numerical limitation, numerical limitation of the range of discharged current in Claim limitation 5 does not lose technical meaning.

3. Statements in this invention's specification alone are not sufficient to show organic correlation between discharged current of 2 ampere or more and buffer gas pressure of less than 0.5 torr in Claim limitation 5 so the combination itself cannot be deemed a new component sufficient to recognize inventive step. But the lower court judgment, although its reasoning is somewhat inappropriate in holding that technical characteristics of this invention lie in combination between high discharged current and low buffer gas pressure so neither value of the two need criticality for this invention's inventive step not to be denied (to be recognized), is correct in its conclusion that inventive step of Claims 1 through 17 in this invention is not denied.

III. Commentaries

1. Criteria of Inventive step of an invention defined by numerical limitation

A. An invention defined by numerical limitation refers to an invention that imposes numerical limitation on its component that has a certain range (e.g., temperature or mixture ratio).[1)]

This judgment, although not a new holding on the rule of inventive step of an invention defined by numerical limitation, refines the expressions of previous judgments thereon in stating that criticality is not necessary if the

1) Practice of Intellectual Property Litigation, Patent Court, p182.

effect is heterogeneous. This holding is being repeated in subsequent Supreme Court judgments.

KIPO's Examination Guidelines and scholarly views seems to take the same position as this judgment on inventive step of an invention defined by numerical limitation, and patent disclosure gazzette's Examination Guidelines and scholars are similar. However, Examination Guidelines of Korean and Japanese IPO omit, out of the inventive step holding of this judgment, the circumstances wherein "other components enabling inventive step are added so numerical limitation is just supplementary."

B. The rule that criticality is not necessary where an invention is added by another component that enables inventive step and thus numerical limitation of the invention becomes supplementary initially appeared in Supreme Court Decision 2007Hu1229 Nov 16, 2007. This is self-evident and may not be new but, for the purpose of settling the rule on invention defined by numerical limitation, seems added to the existing court position that inventive step is recognized only if effect of an invention defined by numerical limitation is quantitatively conspicuous or is heterogeneous[2].

The concept of "invention with supplementary numerical limitation" appears in the classification of inventions defined by numerical limitation by 吉藤辛朔 of Japan, who argues that such invention does not need criticality of numerical limitation and gives the following explanations.

"An invention wherein a new component different from a publicly-known invention is added, thus providing novelty and inventive step, and numerical limitation is attached to the new component. Such invention, due to addition of new component, is distinguished from a publicly-known invention so what numerical limitation to attach thereto is not an issue (It is a supplementary or secondary matter). That is, numerical limitation of the invention is just a supplementary listing of values, necessary for working of the invention, in the scope of patent to show that the invention is not just an idea but is applicable."[3]

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2) Supreme Court Decisions 2004Hu448 decided Apr 15, 2005, 92Da40563 decided Feb 12, 1993, 99Hu1522 decided Jul 13, 2001, etc.

3) 吉藤辛朔 (supplemented by 熊谷健一), General Studies of Patent Law (13th Ed.), translated by YOU ME Patent & Law Firm, p160~161.

吉藤辛朔, classifying "invention wherein numerical limitation is added to a new component having inventive step" as "invention with supplementary numerical limitation," argued that criticality is not necessary. But if a component, other than numerical limitation, that enables inventive step is added to an invention, regardless of what such component is or whether it has criticality, inventive step is recognized. So it is reasonable not to restrict the component to which numerical limitation is added, as in the Supreme Court judgments.

The expression that 'numerical limitation is supplementary' seems to refer to the case wherein numerical limitation is added, with little relation to inventive step, in order to propose workings of invention but, if other components enabling inventive step are added to the invention, inventive step is not denied whether numerical limitation is supplementary or not. So, the said expression which may cause misunderstanding that inventive step is recognized despite lack of criticality in numerical limitation only when numerical limitation is supplementary needs rephrasing.

C. In Japan, there is a view[4] that, based on the analysis of Japan Intellectual Property High Court judgments, adds to the three types mentioned by this judgment the following types as the case where inventive step of an invention defined by numerical limitation is recognized: ㉠ technical meaning evaluation type (technical reason and purpose of using numerical limitation, effect in relevant numerical range, etc. are evaluated), and ㉡ component combination type (unique function and effect through organic combination between a component and numerical limitation are exhibited).

However, the facts of judgments deemed to fall into ㉠ and ㉡ in the said view are not substantially different from those wherein the invention's numerical limitation has heterogeneous effect, so it is not necessary to take the

4) 宮前尚祐, "Japan Intellectual Property High Court judgments recognizing novelty and inventive step of invention defined by numerical limitation (Consideration on novelty and inventive step of invention defined by numerical limitation in view of examination criteria)," Patent Vol. 62, No. 6 (2009), p.11 [Recited from Tae-Hyun Kim, "On the methods of deciding of inventive step of an invention defined by numerical limitation," Studies of Patent Cases (2012), Korea Patent Law Society, Pakyoungsa Publishing, p.164].

pains to further classify the types.

D. The law on inventive step of an invention defined by numerical limitation as held in this judgment is not different from those of previous judgments but, until this judgment, Supreme Court rarely recognized technical meaning of numerical limitation, and thus inventive step, in an invention defined by numerical limitation. Only recently did several judgments, including this one, recognize inventive step or novelty based on heterogeneous effect of an invention defined by numerical limitation.

In this judgment, the court held that numerical limitation on buffer gas pressure, being an extension of a publicly-known invention in task and effect, has neither heterogeneity nor criticality, and numerical limitation on discharged current is a technical means of achieving a task different from that of a publicly-known invention and thus has heterogeneous effect, and held that combination of the numerical limitations above, with no organic correlation, cannot be deemed a new component sufficient to recognize inventive step. This judgment specifically showed requirements of recognizing heterogeneous effect.

Below, with focus on this judgment, this article will examine ① requirements of heterogeneous effect of an invention defined by numerical limitation and ② method of handling multiple numerical limitations with organic correlation.

2. Requirements of heterogeneous effect of an invention defined by numerical limitation

A. An invention defined by numerical limitation has to be technical means of achieving a task different from that of an invention publicly-known before patent application.

1) Here, 'a publicly-known invention before patent application' includes an invention to which a person of ordinary skill in the art can refer to without special difficulty in order to solve a technical task of this invention to be solved through numerical limitation despite difference in other claim

limitations, a widely-known and commonly-used technology in the field of this invention[5], and common knowledge[6] (hereinafter collectively 'prior invention'), as well as an invention with the same claim limitation except for numerical limitation.

'Difference of task' means difference from the task that a prior invention intended to solve by numerical limitation of a component same as or equivalent to that of this invention[7] so a task that a prior invention intended to solve without regard to numerical limitation shall not be considered.

Thus, a prior invention to which the technical task of this invention's numerical limitation can be compared has to include a component same as or equivalent to that numerically limited in this invention. And since the task this invention intends to solve through numerical limitation is premised on a certain combination with other components than numerical limitation, technical task of a prior invention's numerical limitation certainly has to be premised on a combination same as or equivalent to the combination of this invention's numerical limitation with other components in order to solve the technical task.

In this judgment, the court held that compared invention No. 3, although it does not concern a 'closed loop tube' as in this invention but a 'globular' lamp, includes buffer gas that easily produces discharge within the lamp's tube as in this invention and thus is an invention comparable to this invention's technical task on numerical limitation of buffer gas pressure and, since the 'technical idea of improving optical power by controlling buffer gas pressure' is disclosed in compared invention No. 3, numerical limitation on buffer gas pressure in this invention is an extension of compared invention No. 3.

Meanwhile, the meaning of 'difference of task' is shown in Supreme Court Decision 2010Hu3424 Aug 23, 2012 on selection invention, which adopts an almost similar rule to an invention defined by numerical limitation.

After this judgment, Supreme Court Decisions 2011Hu2015 May 24, 2013,

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5) Supreme Court Decision 2000Hu3586 decided Oct 25, 2002.

6) Supreme Court Decisions 2003Hu1000 decided Jan 28, 2005, 2001Hu2740 decided Apr 25, 2003.

7) "Equivalence" here is premised on regarding 'numerical limitation' as a characteristic claim limitation. Hereinafter the same.

2011Hu3193 Feb 28, 2013, etc., recognizing inventive step or novelty of an invention defined by numerical limitation, decided difference of task in the same method.

2) Whether a task is different should not be decided by a formal comparison between statements in this invention and in prior invention but by considering matters that a person of ordinary skill in the art can anticipate from prior invention.

Patent Court, in the 2008Heo1407 case, a lawsuit to revoke an IPTAB decision dismissing a separate petition for invalidation of this invention, held "specification of compared invention No. 5 states 'electric power consumption within ferrite core is known to decrease transformer efficiency and to increase at higher magnetic flux levels, so it is desirable to decrease plasma voltage drop. Thus, it is desirable to decrease the level of peak transformer magnetic flux.' 'Secondary plasma inter-linked with magnetic core (14) decides per-turn voltage drop in primary wiring (15). Such voltage drop has very significant effect on core loss that corresponds to magnetic flux density in core, an important lamp parameter. Per-volume core loss of the ferrite material linearly follows magnetic flux density. So, decrease in secondary plasma's voltage drop greatly reduces loss in magnetic core (14).' And given the negative characteristic of inverse proportion between discharged voltage and discharged current in low-pressure discharge, the said statements in the specification of compared invention No. 5 means that a high discharged current can reduce the loss of magnetic core and the claim limitation of strengthening discharged current, as a technical means of achieving the task of core loss reduction, is disclosed in compared invention No. 5," thus deciding difference of task by considering what a person of ordinary skill in the art prior can anticipate from the invention's statement.[8)]

3) Summarizing the above, numerical limitation, in order to be a technical

8) Patent Court on November 12, 2010 issued a judgment revoking the said IPTAB decision on the ground that inventive step of this invention is denied by compared inventions No. 2, 3, and 5. The patentee filed an appeal (2010Hu3516) on December 3, 2010 to the Supreme Court, which summarily dismissed it on April 14, 2011.

means of achieving a different task, has to identify the characteristics not anticipated from prior invention by a person of ordinary skill in the art, be controlled by the numerical limitation, and limit the values as a means of controlling the characteristics.

B. The effect of numerical limitation has to be heterogeneous.

1) In this judgment and the Supreme Court's said judgments that recognized novelty or inventive step of an invention defined by numerical limitation based on heterogeneous effect of numerical limitation, the court held on heterogeneity of effect, "further, since this invention has the effect of core loss decrease, clearly different from compared inventions, due to numerical limitation on the range of discharged current" (this judgment), "further, such effect is heterogeneous as distinguished from those of compared inventions in that it improves etching workability of transparent conductive film as well as lowering sputtering target's volume resistance rate" (2011Hu2015), "further the effect is also heterogeneous as distinguished from those of compared inventions No. 1 and 3 in that it achieves uniform optical performance by preventing local thickness change in PVA film" (2011Hu3193).

According to the above-mentioned Supreme Court judgments, heterogeneous effect seems to mean that numerical limitation actually works as a technical means of solving a different task and causes an effect of actually controlling characteristics not anticipated from prior inventions by a person of ordinary skill in the art. But there is doubt on whether such judgments recognizes heterogeneous effect based only on what is mentioned above or on whether such view is appropriate.

2) First, the Supreme Court judgments use expressions such as 'expressly different effect' and 'distinguishable heterogeneity,' which do not seem to mean that the relevant invention has an effect whose nature is totally different from that of the compared, prior invention, and actually in most cases that is the case. Mostly, the effect of an invention defined by numerical limitation does not suddenly disappear outside the numerical range.

Even under the facts of Supreme Court judgments, given that ① prior invention compared with this invention had the same component as that numerically limited by this invention and the component had values,

although not the same as in this invention, ② this invention's effects of 'core loss decrease,' 'excellent etching workability' and 'uniform optical performance' are all just conceptual expressions of relative qualitative evaluation of 'core loss,' 'etching workability' and 'optical performance,' characteristics that can be quantitatively reduced,[9] and thus ③ 'core loss,' 'etching workability' and 'optical performance,' despite difference in the degree of decrease, excellence, and uniformity, are all characteristics occurring outside the numerical range of this invention, it is reasonable that prior invention has core loss decreased to the extent of disclosed values, excellent etching workability, and uniform optical performance, despite no recognition of their relation to numerical limitation.

3) Then, if heterogeneous effect of an invention defined by numerical limitation is not one not contained in a prior invention but simply a matter of quantitative difference, there may be cases where the invention defined by numerical limitation has a numerical range whose effect is not as good as or even worse than that of prior invention.

In such case, can we still say inventive step is recognized despite no criticality on the ground that a different task was actually achieved? The author thinks that in such case inventive step cannot be recognized because there is nothing but numerical difference and little increase in effect.

Thus, for this invention's numerical limitation to produce heterogeneous effect, it is not enough that characteristics not anticipated from prior invention by a person of ordinary skill in the art are actually controlled according to numerical limitation, but that heterogeneous effect of the numerical range, if also occurring at a specific, disclosed value in prior invention's manufactures or workings although unrecognized, has to be qualitatively excellent too such that this invention's heterogeneous effect is evaluated as at least more technically meaningful than prior invention.

Of course, such difference in effect does not mean requiring criticality wherein the effect changes conspicuously in and out of the numerical range.

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9) Of course, there may be cases where it is possible to conduct a qualitative evaluation that has absoluteness thanks to a specific range with technical meaning, even if the effect does not change quantitatively conspicuously. Below, such cases will be excluded.

4) Re-examining the Supreme Court judgments from this perspective, this invention's scope of claim limits the range of discharged current to 2 ampere or more and the test result wherein core loss drops from about 20 watt (2.7 ampere, 50 watt) to about 6 watt (21 ampere, 250 watt) and then rises to about 7.5 watt (26 ampere, 500 watt) while electric power increases is stated in this invention's detailed explanation. In the prior invention, the range of discharged current is limited between 0.25 ampere and 1.0 ampere and workings of 0.5 ampere is disclosed. In Supreme Court Decision 2011Hu2105, the scope of patent in Claim 1 limits numerical range to '…… sputtering target containing 0.01% through 1 atomic % of third element oxide having valence of +4 or more' and this invention's detailed explanation contains a test result wherein etching speed (Å/min.) of 860, 870, 850, 850, 840, 820, and 280 at third element content of 0.088, 0.029, 0.051, 0.072, 0.085, 0.066, and 6.6 respectively, and it is disclosed in the prior invention that numerical range of the third element oxide is 20 atomic % or less, with its desirable numerical range being 0.1~15 atomic %, especially desirable numerical range being 0.5~10 atomic %, and specific manufactures being 2 atomic %.

It is difficult to clearly contrast the effect of this invention and that of prior invention based only on the facts stated in the judgment but, given the changes in each effect shown in the test result of this invention's specification, each invention is expected to have a core loss rate or etching speed better than that of prior invention in all numerical ranges.

5) Summarizing the above, heterogeneous effect of numerical limitation means that it has actual effect of controlling unanticipated characteristics by numerical limitation and the effect, although unrecognized, if shown in values disclosed in manufacturing and working of prior invention too, has to be excellent such that it is at least technically more meaningful than prior invention.

3. Where an invention defined by numerical limitation has multiple numerical limitations with organic correlation

A. This judgment, although mentioning it while pointing to problems of Patent Court's decision, held "although statement in the specification of this invention alone does not make it clear whether there is organic correlation

between discharged current of 2 ampere or more and buffer gas pressure of less than 0.5 torr (Claim limitation 5) and combination between the two cannot be deemed a new component sufficient to recognize inventive step," which, if interpreted to the contrary, seems to mean that the combination can be deemed a new component sufficient to recognize inventive step if there is organic correlation among multiple numerical limitations.

B. However, even when multiple numerical limitations affect one another or at least have an organic correlation wherein one numerical limitation affects others and, based thereon, the invention limits and combines the numerical range, if the organic correlation is disclosed in a prior invention, the combination will be a component whose novelty as well as inventive step can hardly be recognized. That is, for a combination of multiple numerical limitations to become a new component sufficient to recognize inventive step, it is not enough that multiple numerical limitations have organic correlation and it is required that the organic correlation not be disclosed in a prior invention.

From a different perspective, the fact that an invention combines numerical limitations based on organic correlation of multiple numerical limitations not disclosed in a prior invention means that, unlike the prior invention, it produces an effect not anticipated from prior invention by adopting at least one numerical limitation as technical means of controlling effect on other numerical limitations. This is no different from the fact that the numerical limitation has heterogeneous effect.

Thus, if there is an organic correlation, not disclosed in prior invention, among an invention's multiple numerical limitations, the invention not only adds a new component sufficient to recognize inventive step[10] but the numerical limitations has heterogeneous effect therein.

C. Further, given that ① as mentioned above, a numerical limitation does not need criticality whether it has heterogeneous effect or is a new component sufficient to recognize inventive step, ② there is little difference in the method

10) This case is one where this invention is added by a new component sufficient to recognize inventive step, but the numerical limitation of this invention is not just supplementary.

of deciding whether combination among multiple numerical limitations with organic correlation is a new component sufficient to recognize inventive step or whether a numerical limitation has heterogeneous effect, and ③ as organic combination among multiple numerical limitations, despite "combination," is still a numerical limitation, separating the combination and recognizing it as a component distinguished from numerical limitation is a little awkward, it would be simpler to treat organic correlation among multiple numerical limitations not disclosed in prior inventions as 'a case where the invention has heterogeneous effect by numerical limitation' rather than 'a case where an invention is added by a component, other than an invention defined by numerical limitation, to recognize inventive step.'

D. If, as in this judgment, technical meaning of an invention's multiple numerical limitations is disclosed in compared inventions No. 3 and 5 (prior inventions) and can be referred to, whether the difficulty of combining compared inventions No. 3 and 5 has to be considered again to decide inventive step can be an issue. Assuming that remaining claim limitations (excluding numerical limitation) of this invention can easily be derived from a publicly-known invention before patent application, since a person of ordinary skill in the art, whether the claim limitation requiring numerical limitation is singular or multiple, commonly reviews relevant prior inventions for proper numerical limitation of all claim limitations and whether to refer to technical meaning of numerical limitation disclosed in prior inventions is decided by considering combination between numerical limitation and remaining components of this invention, unless there is special circumstance, it is not necessary to separately consider the difficulty of combining prior inventions deemed referable in connection with technical meaning of multiple numerical limitations in deciding inventive step of this invention (including multiple numerical limitations). This judgment does not specially mention the difficulty of combining compared inventions No. 3 and 5.

IV. Conclusion

This judgment, a leading Supreme Court judgment that not only clarified the

rule on inventive step of an invention defined by numerical limitation but recognized inventive step when the said heterogeneous effect is recognized, is meaningful in that it excellently showed specific requirements of the said heterogeneous effect.

The Medical Invention that only limits administering method of a publicly-known pharmaceutical composition.

Hye-Jin Lee, Patent Court Judge

I. Introduction

The author of this article, when assigned the Patent Court 2013Heo5759, 2013Heo8871, and 2013Heo8888 cases, decided on Apr 11, 2014, began to conduct an in-depth study on inventions that only limits administering method (e.g., administering dosage and administering cycle) of a publicly-known pharmaceutical composition.

The cases concern an invention that limits administering dosage (1mg) and administering cycle (once a day) of 'entecavir,' which was publicly known, prior to the priority date hereof, to have effect as Type B hepatitis medicine[1]: Major issues of the cases were: first, whether an invention that only limits administering method of a publicly-known pharmaceutical composition is a medical practice-related invention that has no industrial applicability; and second, the criteria of non-obviousness of an invention that only limits administering method of a publicly-known pharmaceutical composition.

There is little doubt on granting patent right to an invention of new material for new drug and that of initial medicinal use for a material, but whether to grant patent right to an invention that limits administering method of a material whose medicinal use is already known has room for controversy.

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1) Entecavir is being sold in Korea as Type B hepatitis medicine under the name of 'Baraclude (BMS, 0.5mg, 1mg),' the top-selling specialized drug in Korea in 2013 (sales of 156.6 billion Won) (Mar 2, 2014, News Tomato Internet newspaper).
With entecavir materials patent expiring on October 9, 2015, Korean pharmaceutical companies, prior to marketing of generic drugs, filed a petition for passive declaration of scope of right asserting that the disputed inventions are free technology, and Intellectual Property Trial and Appeal Board (IPTAB) accepted the petition. Then, 'Bristol-Myers Squibb Company,' the patentee, filed to the Patent Court a lawsuit to revoke the IPTAB decision.

The Supreme Court, in 90Hu250 decided Mar 12, 1991, held that an invention on a drug that diagnoses, treats, mitigates and prevents human disease or promotes health, the drug's preparation method, and medical practice using the drug cannot be deemed to have industrial applicability and cannot be patented. But whether an invention on medical practice has no industrial applicability has room for controversy and, given that in Japan, Europe, and US, an invention that limits administering method of a publicly-known pharmaceutical composition is granted patent right, the above-mentioned view of the Supreme Court may need reconsideration.

Even if an invention that only limits administering method of a publicly-known pharmaceutical composition can be granted patent right, there is a good chance that it is an extension of an invention of publicly-known pharmaceutical composition, and actually it is the trend of pharmaceutical industry to file patent application for inventions that only limit administering method in order to extend patent term of materials invention or medical use invention. Thus, the criteria for non-obviousness of an invention that only limits administering method of a publicly-known pharmaceutical composition need to be strict.

This article will examine foreign legislations and Korean Supreme Court decisions on whether to grant patent right to an invention that only limits administering method in a publicly-known pharmaceutical composition, general process of new drug development, and (when granting patent right) the criteria of non-obviousness.

II. Whether to grant patent right to an invention that only limits administering method of a publicly-known pharmaceutical composition

1. Legislations in foreign countries

A. US

In the US, from early on, medical practice was seen to be protected by patent and treating and drug administering methods were granted patent. But, the US Patent Act, by putting in a special provision exempting doctor's medical practice from infringement cease order or damages liability, guarantees free medical

practice of medical practitioners.[2)]

B. Japan

No Japanese law expressly excludes medical practice from patent protection but in the past, based on the interpretation that "medical service is not a business," it was deemed that a method of operating, treating or diagnosing humans do not fall into "industrially-applicable invention" and cannot be patented. But the Report (May 29, 2009) on Patent Protection for High-Tech Inventions, a subject matter of the "Intellectual Property Plan 2009," proposed that medical inventions that exhibit an effect dramatically improving side effect problems or quality of life by a new administering method or dosage and exceed anticipations, thus far excluded from patent, be patentable.[3)] In the Medical Invention Examination Criteria amended in November 2009 by reflecting the above-mentioned report, a drug specified by treatment pattern such as administering cycle or dosage basically can be patented and, in conspicuous cases where its favorable effect exceeds the degree anticipated at the level of art in comparison with prior art, non-obviousness is recognized.[4)] In Japanese practice, an invention that only limits administering cycle or dosage of a pharmaceutical composition is also subject to the above-mentioned criteria of non-obviousness.

C. Europe

Article 52 (4)[5)] of the 1973 European Patent Convention (EPC) expressly

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2) 35 U.S.C. 287 (c) (1) With respect to a medical practitioner's performance of a medical activity that constitutes an infringement under section 271 (a) or (b) of this title, the provisions of sections 281, 283, 284, and 285 of this title shall not apply against the medical practitioner or against a related health care entity with respect to such medical activity.

3) Myeong-Seon Cho, "Deciding non-obviousness of a medical invention with characteristics of administering cycle dosage," Studies of Patent Cases (revised Ed.), Pakyoungsa Publishing (2012), p201

4) See Japan Medical Invention Examination Criteria (amended in Nov 2009), 2.3.1. (4)

5) (1) European patents shall be granted for any inventions which are susceptible of industrial application, which are new and which involve non-obviousness. (2) and (3) omitted. (4) Methods for treatment of the human or animal body by surgery or therapy and diagnostic methods practised on the human or animal body shall not be regarded as inventions which are susceptible of industrial application within the meaning of paragraph 1. This provision shall not apply to products, in particular substances or compositions, for use in any of these methods. (EPC 1973)

denied industrial applicability to an invention on medical method but the amended Convention (effective Dec 13, 2007) deleted the relevant provision and treated medical practice-related invention non-patentable in Article 53 (C).[6] In Europe, an invention that only limits administering dosage or cycle used to be deemed excluded from patent and could not be patented in general. But the European Patent Office Enlarged Board of Appeal, in the G02/08 case (Feb 19, 2010), on whether to grant patent right to an invention only differing from prior art in limiting administering cycle ("once a day before sleeping") in the scope of patent, even a component whose administering method is the only one undisclosed in prior art is not excluded from patent, and the administering method has to have effect with technical lessons and meanings differing from those of prior art and, if based thereon it goes beyond a simple matter of choices, can be considered in deciding non-obviousness, making it clear that an invention that only limits administering dosage or cycle can be patented.[7]

2. Supreme Court decisions

A. Supreme Court Decision 90Hu250 Mar 12, 1991

An invention on drug, drug preparing method or drug-using medical practice that diagnoses, treats, mitigates and prevents human diseases or improves health may not be deemed to have industrial applicability and cannot be patented. But an invention on animal drug or animal-treating method has industrial applicability and can be patented. An invention, even when it concerns a drug or medical practice applicable to human as well as animal diseases, if the claim is expressly restricted to animals in the scope of patent, has industrial applicability and can be patented.

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6) Article 53 (Exceptions to patentability) European patents shall not be granted in respect of: (a) ~ (b) omitted. (c) methods for treatment of the human or animal body by surgery or therapy and diagnostic methods practised on the human or animal body; this provision shall not apply to products, in particular substances or compositions, for use in any of these methods. (See European Patent Office homepage http://www.epo.org)

7) Myeong-Seon Cho, supra note 87, p202-203

B. Supreme Court Decision 2007Hu2933 May 28, 2009

The scope of Claim 9[8] of this invention (hereinafter 'Claim 9 invention'), named 'composite to inhibit bone resorption' (application number 2002-7013594), is a composite invention with the characteristics of administering cycle and dosage of bisphosphonate, a publicly-known material. Claim 9 invention, since its characteristic composition is not the part composing a drug material (composite) but the method of administering drug material to humans, is non-patentable as a drug-using medical practice. Or, since Claim 9 invention is not about a final product obtained from the scope of patent compared with the prior art, it cannot be considered in deciding non-obviousness.

3. Review

Generally, the main rationale of refusing to grant patent to an invention that limits administering method of a publicly-known pharmaceutical composition is that it is a medical practice-related invention and has no industrial applicability. In Article 29 (1) (main text) of the Patent Act, 'industry' refers to an industry in its broadest sense and means all human activities belonging to a useful and practical technology, and 'applicability' means workability.[9] The field of medicine, which used to have a magical form in the Middle Ages, entered the field of science

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8) [Claim 1]: Pharmaceutical composition which contains bisphosphonate of pharmaceutically effective dosage and pharmaceutically permitted carrier, wherein the above-mentioned bisphosphonate is oral-administered at unit administering dosage according to continued schedule with cycle of once every third day or once every 16th day, and which is useful for inhibiting mammals' bone resorption
[Claim 9]: In a claim between Claim 5 and Claim 8, pharmaceutical composition which contains bisphosphonate-administering dosage of approximately 8.75 to 140mg based on alendronic acid activity.
[Compared invention]: 'Update:bisphosphonate' published in 'LUNAR NEWS' (a publication in US) (Jul 1996, p23). The reasons why some doctors hesitate to prescribe bisphosphonate despite its efficacy in osteoporosis treatment include side effect, difficulty of taking, and high cost. It is stated that problems of oral bisphosphonate can be mitigated by periodical (once a week) or cyclical (one week a month) administering and that its difficulty of taking and high cost can be reduced by administering oral alendronate of 40㎎ to 80㎎ once a week.

9) Practice of Intellectual Property Litigation, Patent Court Intellectual Property Litigation Practice Society, 3d Ed., Pakyoungsa Publishing (2013), p152

thanks to securing of repeatability, and has changed from a healing art removing another person's pain to the medical industry that can create various added values and wealth.[10] So, refusing to grant patent to medical practice-related inventions on the ground of industrial inapplicability can no longer be justified.

Since a medical practice invention directly affects human life and health, however, grant of exclusive right thereto has the problem of restricting doctors' treatment and thus violating human dignity, and this rationale is sufficiently persuasive. In such case, however enacting an exception clause that bans patent for a medical practice invention requiring regulation or a special clause that restricts the effect of patent right for medical practice could be considered.[11]

Also in Japan and Europe, there has been change in the previous view that an invention that only limits administering cycle and dosage of a publicly-known pharmaceutical composition is an invention on medical practice, has no industrial applicability and cannot be patented, and currently patent is granted thereto as in the US.

Thus, refusing to grant patent to an invention that limits administering method of a publicly-known pharmaceutical composition on the ground of lack of industrial applicability is no longer persuasive.

III. Process of new drug development[12]

1. Overview

When a pharmaceutical composition is newly invented, a general clinical trial process is conducted to develop a new drug. Generally, a new drug can only be marketed after recognition of its safety and effectiveness through pre-clinical

10) Gwan-Shik Kim, "Thoughts on how to improve protection of medical practice-related inventions," Studies on Science & Technology Law, Vol. 12 No. 1 (Aug 2006), p67

11) Ki-Young Kim, "Patentability of medical practice-related inventions," Studies of Patent Cases, Pakyoungsa Publishing (2012), p61-62; Gwan-Shik Kim, id., p70-71

12) The part on the new drug development process was prepared based on 'A guide to successful new drug development,' a booklet published by the Ministry of Food & Drug Safety in March 2012, and 'Guidelines on the method of deciding maximum recommended starting dosage (MRSD) of drug administered to the first healthy volunteer from pre-clinical test to phase 1 clinical' provided by US FDA's CDER (Center for Drug Evaluation and Research)

trial, phase 1 clinical trial, phase 2 clinical trial, phase 3 clinical trial, and its permission by the Ministry of Food & Drug Safety ("MFDS").

A right-holder having developed a new drug generally files patent application based on the result of pre-clinical trial, and it generally takes ten years or more from clinical trial to marketing permission thereof.

2. Clinical trial

A. Pre-clinical trial

This is a test required to obtain information on a drug's safety and effectiveness before test for humans. In the safety test, the drug is administered to test animals to measure "no observed adverse effect level" ("NOAEL") at which no virulence or side effect is observed. Drug effectiveness test includes in-vitro test and in-vivo test (disease animal model test). In in-vitro test, cell line, etc. are used to confirm the drug's reaction within test tubes and measure effective concentration (EC_{50}). In in-vivo test, disease animal models are used to confirm the drug's reaction per administering dosage and obtain information on pharmacokinetics to measure blood drug concentration, elimination half-life, metabolism speed, excretion speed, etc.

B. Phase 1 clinical trial

This is a test required to confirm a drug's safety and obtain information on pharmacokinetics by administering it to healthy volunteers. In the safety test, extraordinary reaction is confirmed by starting at maximum recommended starting dosage (MRSD)[13] and increasing the administered dosage therefrom. In calculating MRSD, initially NOAEL, the maximum dosage at which no adverse effect is observed in animals, is decided, which NOAEL value is then converted into human equivalent dosage (HED) considering body surface area[14]. This value

13) Generally, MRSD of phase 1 clinical is decided by the method proposed in 'Guidelines on the method of deciding MRSD of drug administered to the first healthy volunteer from pre-clinical test to phase 1 clinical' provided by US FDA's CDER (Center for Drug Evaluation and Research).

14) Human equivalent dosage (HED) is obtained by multiplying animal dosage by conversion factor (considering body surface area). Here, conversion factor refers to human/animal km factor ratio and km factor is obtained by dividing weight (kg) by surface area (m^2).

is then divided by safety coefficient (generally 10) to decide MRSD but, based on the pharmacologically activity dosage (PAD, a dosage reflecting HED value) tested in animals, the dosage can be further lowered. In this stage, information on pharmacokinetics (e.g., blood drug concentration, elimination half-life, metabolism speed, and excretion speed) is obtained per administering dosage and, by considering such information and pharmacokinetics information from pre-clinical trial, administering dosage and cycle for phase 2 clinical are designed.

C. Phase 2 clinical trial

This is a test required to confirm clinical effect for patients of a specific disease and collect various information (e.g., administering dosage and cycle). In this stage, two to three dosages are designed and administered to a limited number of patients to test drug effect.

D. Phase 3 clinical trial

A dosage that can properly be used for patients is picked from phase 2 clinical trial and, to see whether that is better than existing medicines and whether application for marketing permission thereof can be made, is subjected to phase 3 clinical trial for many patients in order to evaluate effect.

3. Review

To develop a new drug is to obtain data on its safety and effectiveness through a series of commonly-conducted clinical trials and, based thereon, to find the optimal administering dosage and cycle.

Pre-clinical trial is a stage of administering a drug to test animals and testing its safety and effectiveness. Phase 1 clinical trial is a stage of administering a drug to healthy humans and testing its safety, and phase 2 clinical trial is that of administering a drug to patients and testing its effectiveness. Then, only in the phase 2 clinical trial stage, can one confirm whether there is effect when a pharmaceutical composition is administered to patients and, since the effect is confirmed by administering a specific dosage, one can see that the effect is closely related to the administering dosage.

Where a patentee of a specific pharmaceutical composition that is granted patent on the ground that it is effective for a specific disease, after finding the optimal administering dosage in the clinical trial conducted to prove safety and effectiveness of a new drug for the purpose of obtaining marketing permission, files patent application for an invention that limits administering dosage of the pharmaceutical composition and is granted patent, criticisms (so-called ever-green of extending the term of patent right) cannot be avoided.

On the other hand, if an inventor has found an administering dosage and cycle that cannot be anticipated in the general clinical trial and such invention has conspicuous effect over the prior art, granting of patent right would be justified in some cases.

Thus, the criteria of non-obviousness of an invention that only limits administering method of a publicly-known pharmaceutical composition need an in-depth discussion.

IV. Criteria of non-obviousness in an invention that only limits administering method of a publicly-known pharmaceutical composition

1. Other countries

A. US

- TYCO HEALTHCARE GROUP LP and Mallinckrodt, Inc. v. MUTUAL PHARMACEUTICAL COMPANY, INC.
  - Overview of the case: TYCO (patentee), arguing that its patent ("sleeping pill with 7.5mg temazepam activity component") was infringed on, filed a lawsuit against MUTUAL (competitor). MUTUAL, arguing that the patent was void, motioned for summary judgement. New Jersey District Court accepted MUTUAL's argument and held TYCO's patent void. TYCO appealed.
  - Court judgment: The appellate court dismissed TYCO's appeal on the ground that 'dosage was the only feature that distinguished patent from prior art capsules that contained 15 to 30mg dosage, but prior art reference in medical reference book also disclosed a five to 15mg dosage for treating

elderly patients, and there was no prior art that taught away from using 7.5mg dosage for elderly patients or that would have cast doubt on the efficacy of the 7.5mg dosage. … (omitted) … Ordinarily, "where there is a range disclosed in the prior art, and the claimed invention falls within that range, there is a presumption of obviousness." That presumption is rebuttable either by a showing that the prior art taught away from the invention or by a showing of new and unexpected results relative to the prior art. … (omitted) … TYCO has not overcome Mutual's clear and convincing showing of obviousness {642 F.3d 1370, C.A.Fed. (N.J.),2011. June 22, 2011}.

■ Galderma S.A., and Galderma Research and Development, S.N.C., v. TOLMAR, INC.

- Overview of the case: TOLMAR (patentee), arguing that its patent ("local acne medicine with 0.3% adapalene activity component") was infringed on, filed a lawsuit against Galderma (generic drug manufacturer). Delaware District Court decided the patent was not void on the ground that "acne medicine with 0.1% adapalene activity component was disclosed in a prior art but, since a person of ordinary skill in the art could anticipate that adapalene with three times the concentration could cause material increase in side effect, it could not anticipate that 0.1% and 0.3% adapalenes had similar resistance," and Galderma appealed.
- Court judgment: The appellate court decided TOLMAR's patent void on the ground that 'While we agree that this result was unexpected, it does not constitute an unexpected result that is probative of non-obviousness. Unexpected results that are probative of non-obviousness are those that are "different in kind and not merely in degree from the results of the prior art." Iron Grip Barbell Co. v. USA Sports, Inc., 392 F.3d 1317, 1322 (Fed.Cir.2004) (citation omitted). Results which differ by percentages are differences in degree rather than kind, where the modification of the percentage is within the capabilities of one skilled in the art at the time. Thus, where an unexpected increase in efficacy is measured by a small percentage, as here, and the evidence indicates that skilled artisans were capable of adjusting the percentage, the result constitutes a difference in degree, not kind. So too, where an increase by a percentage is expected but not found, that result is

also likely only a difference in degree. In this case, the expected result was an increase, by some percentage, in the prevalence of certain side effects. The failure of that percent increase to materialize, though unexpected, constitutes only a difference in degree from the prior art results. Accordingly, the comparable tolerability of 0.1% and 0.3% adapalene does not indicate that the asserted claims are nonobvious (737 F.3d 731, 108 U.S.P.Q.2d 1929/2013. 12. 11.),' and revoked Delaware district court's judgment.[15]

B. Japan

■ Medical Invention Examination Criteria (amended in November 2009)

- Drug to be specified according to treatment pattern (administering cycle and dosage, etc.) (2.3.2.(4)):

  On a specific patient group or application scope, optimizing the pattern of medical use (e.g., administering cycle and dosage) to solve a task well known the person having ordinary skill in the art (e.g., improve drug effect, and decrease side effect) exhibits general creative ability of the person having ordinary skill in the art. So, in the medical invention on the Claim, even when novelty is recognized in comparison to the prior art, if a favorable effect compared to the prior art cannot be anticipated by the person having ordinary skill in the art, non-obviousness is denied. But if existence of non-obviousness can otherwise be ratified (e.g., favorable effect in comparison to prior art is conspicuous such as to exceed the degree anticipated at the level of art), the invention's non-obviousness is recognized (Case 8).

- Case 8 (Example of specific patient group exhibiting conspicuous effect by adopting specific administering cycle and dosage): Claim 1 concerns "Type C hepatitis medicine having the characteristics of administering 5.0mg/kg~10.0mg/kg initially and thereafter 0.3mg/kg~0.5mg/kg each time every other day and containing compound A to treat patients with α-type gene." In the prior art, administering cycle and dosage of 0.3mg/kg~0.5mg/kg once a week, as Type C hepatitis medicine, for compound A that controls expression of enzyme Z in humans exhibiting

15) Appellate court judge NEWMAN wrote dissenting opinion in the appellate court decision.

proliferation of Type Chepatitis virus is disclosed but Type C hepatitis patients with α-type gene are neither stated nor implied in the prior art literature. Also, the fact that proliferation of Type C hepatitis virus with α-type gene is effectively inhibited and that conspicuous Type C hepatitis treatment activity is exhibited could not be anticipated at the level of art as of the application. Since such effect could not be anticipated by the person having ordinary skill in the art, non-obviousness of invention concerning Claim 1 is recognized.

2. Patent Court Decisions 2013Heo5759, 2013Heo8871, and 2013Heo8888 Apr 11, 2014

A. Overview

1) Invention of this case

Pharmaceutical composition which is effective for once-a-day administering to treat Type B hepatitis virus infection, and includes 0.5 through 1.0mg entecavir attached to carrier-natured surface.

2) Disputed product

Type B hepatitis virus infection-treating tablet that can administer entecavir 1.0mg once a day

B. Judgment

In the field of medical invention, finding an administering dosage and administering cycle such that pharmacological effect of a publicly-known material is maintained but virulence or side effect is prevented is the technical task therein and the process of finding them is well-known to the person having ordinary skill in the art. Then, optimizing of administering method to exhibit the desired treatment effect and prevent virulence or side effect in order to improve the effect and decrease the side effect of a pharmaceutical composition known to have treatment effect for a specific disease or patient is within the scope of general creative ability of the person having ordinary skill in the art. And a technology that only limits administering method in a publicly-known pharmaceutical composition invention, if it is not a conspicuous one wherein

favorable effect of the method exceeds the level of art anticipated of the person having ordinary skill in the art and is within the scope that the person having ordinary skill in the art can anticipate, a technology which allows anyone to use.

The disputed product is restricting the administering dosage of entecavir, known to be effective as Type B hepatitis medicine, to 1mg and the administering cycle to once a day, and optimizing the administering method to exhibit desired treatment effect without virulence or side effect is within general creative ability of a person of ordinary skill in the art. Since ① it was not generally recognized, before priority date of this invention, by the person having ordinary skill in the art that entecavir of 1 through 50mg per 1kg (60 through 3000mg for an adult of 60kg) has to be administered multiple times a day, ② administering 1mg of entecavir is known to be safe and there is no factor hampering anticipation of effect at such dosage, ③ entecavir can be anticipated to be effective at 5mg or below through effective concentration (EC50) of non-entecavir Type B hepatitis medicine, comparison of human administering dosage, and the circumstance that 5mg of entecavir may show in-plasma drug concentration exceeding EC50 value for HBV, ④ once-a-day administering can be anticipated through content of average elimination half-life (55 hours), and ⑤ '0.5-2.5mg oral, everyday,' once-a-day administering of 0.5-2.5mg of entecavir can also be anticipated from phase 2 clinical design dosage stated in Table 2 of prior art No. 2, the person having ordinary skill in the art could easily derive, from prior art No. 1 and 2, administering of 1mg of entecavir once a day, which seems without virulence or side effect while maintaining pharmacological effect, through common and repetitive tests, and the effect may also be such as a person of ordinary skill in the art can anticipate from compared inventions No. 1 and 2. Thus, the disputed invention, as it is a technology in the public domain that the person having ordinary skill in the art can easily work using compared inventions No. 1 and 2 and widely-known and commonly-used technology, does not belong to the scope of protection without need to compare with Claim 1.

V. Conclusion

As shown above, the rationale that an invention that only limits administering method of a publicly-known pharmaceutical composition has no

industrial applicability as medical practice-related invention and cannot be patented is no longer persuasive. And since a medical invention basically requires lots of time and cost for clinical trial, if the above-mentioned invention is not granted patent right, there will be no incentive for an inventor to conduct continued research after the pharmaceutical composition is patented and as a result could hamper invention in the field of medicine. The concern that an invention that only limits administering method of a publicly-known pharmaceutical composition and is just an extension of a previous pharmaceutical composition invention could unduly extend the term of patent right could be solved by clarifying the criteria of non-obviousness.

In the US and Japan, non-obviousness of an invention that only limits administering method of a publicly-known pharmaceutical composition is recognized only if there is conspicuous effect that a person of ordinary skill in the art cannot anticipate and, on whether there is conspicuous effect is individually decided in specific cases by considering content of prior art, details of invention, level of a person of ordinary skill in the art, etc., foreign cases mentioned above need referring to.

Patent Court Decisions 2013Heo5759, 2013Heo8871, and 2013Heo8888 are meaningful as being the first on non-obviousness upon the premise that an invention that only limits administering method of a publicly-known pharmaceutical composition has industrial applicability. Future accumulation of cases related to such invention's non-obviousness is expected.

Criteria of Similarity in Name Trademark

Boo-Gyu Kwak, Patent Court Judge

I. Supreme Court's criteria of similarity of trademark

1. Principle of total observation

Similarity of trademark has to be decided by total observation, in principle.

Also, the Supreme Court held that in deciding similarity of trademark, two trademarks used in same-kind products have to be observed in totality and from a distance in terms of their appearance, name and conception, using the criteria of intuitive recognition by the general public on the trademark in trade of the designated product in order to determine whether there is a risk of misunderstanding or confusion on the source of product. (See Supreme Court Decisions 89Hu1745 decided Feb 13, 1990, 91Hu1045 decided Dec 27, 1991, etc.).

2. Permitting important part observation or separative observation as an exception

Since total observation is the principle, deciding similarity by important part/separative observation is only permitted as an exception.

The Supreme Court also held that similarity of trademark in principle has to be decided by observing two trademarks used in same-kind products in totality and comparing and reviewing the appearance, name and conception and that only in exceptional cases where the combination is unnatural and cannot be deemed inseparable, is it permitted to separate, and then compare and contrast, the components (See Supreme Court Decisions 90Hu861 decided Apr 23, 1991, 92Hu346 decided Sep 14, 1992, 92Hu1967 decided Apr 13, 1993, etc.).

3. Tendency of generalizing important part observation or separative observation in combination trademark

Deciding similarity of trademark by total observation is the principle but court judgments that hold, as if important part/separative observation is the principle, "unless a trademark is so inseparably combined as to make its components, if separately observed, seem unnatural, the trademark can be pronounced and conceptualized using only part of the components" have become frequent.

These judgments can be called '**holdings that generalize separation**,' whose gist is as follows.

In deciding similarity of trademark, two trademarks used in same-kind products have to be observed in totality, objectively and from a distance in terms of their appearance, name and conception, using the criteria of intuitive recognition by the general public on the trademark in order to determine whether there is a risk of misunderstanding or confusion on the source of product. A combination trademark of letter and letter or letter and diagram need not necessarily be pronounced or conceptualized in totality and, unless its components are inseparably combined to the extent that each component, if separately observed, may seem unnatural, may be pronounced or conceptualized using only part of the composition. In cases where two or more sounds or concepts can be invoked in a single trademark, if one of them is recognized as same as or similar to another person's trademark, the two trademarks are similar, and this shall also apply in cases where a combination trademark is composed of names (See Supreme Court Decisions 92Hu742 decided Sep 25, 1992, 94Hu1466 decided Dec 2, 1994, 94Hu1381 decided Dec 9, 1994, 94Hu1428 decided Dec 13, 1994, 94Hu1824 decided May 12, 1995, 96Hu313,320 decided Mar 25, 1997, 98Hu2627 decided Apr 11, 2000, 99Hu2907 decided Apr 21, 2000, 2004Hu325 decided Jul 22, 2004, etc.).

II. Criticism of tendency of generalizing separative observation

1. Deviation from principle of total observation

'Holdings of generalized separation,' adopting the logic that a combination trademark can be compared in totality if specific conditions are met upon the premise that separative observation of combination trademark is generally

permitted, give the impression that the principle and the exception are reversed.

The expression "since there is no evidence showing that the name trademark has always been used in totality in Korea or overseas and that last name and first name were not separated in use, the letter part in the prior trademark can be separately observed" is found in court holdings (See Patent Court Decisions 2003Heo3310 decided Dec 5, 2003, 2004Heo1755 decided Jul 30, 2004, 2004Heo5436 decided Dec 10, 2004, etc.) and, given the principle of total observation, the expression "it can be recognized that there was separated use" seems more logical.

2. Conclusions divorced from reality

According to the logic of 'holdings of generalized separation,' in most cases, separating a combination trademark and then comparing it with another combination trademark ultimately make the marks look similar and, if the marks are observed too analytically, there is a chance of reaching a conclusion divorced from recognition by the general public.[1)]

Deciding similarity of trademarks has to be based on the possibility of misunderstanding or confusion on the source but, considering that a person decides similarity of trademarks from a distance, by a psychological image it remembers in different times and places, and that trademarks are not always recognized and remembered in totality (See the above-mentioned Supreme Court Decision 86Hu121 decided Feb 24, 1987), separative observation has to be permitted only as an exception in 'special cases where it suits the trade better.'

3. Unclear criteria of permitting separative observation

'Holdings of generalized separation' only propose, as a condition of separative observation, an abstract criteria ("combination trademark … unless inseparably combined to the extent that each component, if separately observed, may seem unnatural") and sometimes there is issued a judgment holding that

1) Sung-Joon Choi, Deciding similarity of combination trademark, LAW & TECHNOLOGY Vol. 2 No. 1, Seoul National University Technology & Law Center (2006).

separation is not allowed if 'a new specific concept' or 'a completely new wording' results.

Thus, ① very few criteria wherein a trademark is not separated has been proposed, and ② the criteria proposed is not clear or easily understandable. For example, the Supreme Court, in 89Hu544 decided Nov 14, 1989, held that 'IVY HOUSE' forms 'a new concept' so is not suitable for separative observation but in 89Hu537 decided Dec 8, 1989, held that 'IVY HOUSE,' if separately observed, is similar to 'IVY.' It is doubtable whether the two decisions have a consistent basis.[2)]

4. Controversy on over-protection and depletion of trademark pool[3)]

Separative observation, depending on the circumstances, may be unrelated to, or even run against, the intent of a trademark right-holder. That is, a trademark right-holder does not file application upon the premise that only part of the trademark will be observed, but does so anticipating that the trademark will be pronounced in totality and, if he/she anticipates separative observation, will divide the trademark and file separate application for each. So, an excessive separative observation (e.g., 'holdings of generalized separation') can run against the intent of trademark right-holders and deplete the pool of trademarks using names.

For example, Supreme Court, in 95Hu1456 decided Mar 8, 1996, held that SANTA BARBARA POLO CLUB,' if separately observed, is similar to 'PLOL,' which holding, if aggressively interpreted, could separately protect 'SANTA,' 'BARBARA' and 'CLUB' as well as 'POLO.'

III. Changes of the attitudes of the Supreme Court and the Patent Court on similarity of name trademark

1. General application of 'holdings of generalized separation'

2) Dong-Se Kang, Problems of 'separative observation' in deciding similarity of trademark, Lawyers Association Journal Vol. 55 No. 10, Korean Lawyers Association (2006).

3) Dong-Se Kang, id.

The Supreme Court, after literally applying 'holdings of generalized separation,' generally permitting separative observation, to name trademarks (Supreme Court Decision 92Hu742 decided Sep 25, 1992, etc.), has thus far cited or applied them in most judgments and, especially in cases where it concluded that trademarks are similar based on separative observation, almost always cites 'holdings of generalized separation.'

2. Appearance of judgments restricting separative observation

There have sometimes been judgments attempting to restrict separative observation but they neither propose a clear logical structure to consistently apply the 'principle of total observation' in their holdings or criteria nor reject the 'holdings of generalized separation.' They mainly present rationale of 'having independent meaning in the state of being combined' 'based on specific transactions,' in order to prevent divorce from the trade due to excessive separative observation,

(1) ***LAURA ASHLEY case*** *(Supreme Court Decisions 94Hu647 decided Jan 12, 1995, 95Hu248 decided Jun 30, 1995)*

This judgment decided, based on 'specific transactions,' that LAURA ASHLEY is not similar to 아슈레이 ASHLEY or Laura Biagiott. What is notable in this judgment is the expression that separative comparison is limited to "natural circumstances." This expression is based on the principle of total observation and is understood to be different from the logic of 'holdings of generalized separation.'

However, subsequent judgments did not cite this judgment and rather applied the previous 'holdings of generalized separation' as criteria. The Supreme Court, in 97Hu1146 decided Apr 24, 1998[4], concluding that trademarks of the case are not similar, even held "since the trademark is not inseparably combined to the extent that a separative observation thereof may seem unnatural, observation can be made by separating the diagram part and the letter part," thus basically accepting the logic of 'holdings of generalized

4) SAINT-SAENS is not similar to SENSE 센스 .

separation' literally. And the Patent Court, in 98Heo9154 decided Feb 25, 1999[5], relied on the 'holdings of generalized separation' as its criteria.

Also, in the BOBBI BROWN case (98Heo6803 decided Oct 29, 1998), the Patent Court, while finding based on specific transactions that the trademark obtained independent meaning, still used the expression "inseparably combined to the extent that a separative observation is unnatural," sharing the logic of 'holdings of generalized separation.' The Supreme Court, in 98Hu2627 decided Apr 11, 2000 making it clear that 'holdings of generalized separation' was the criteria, revoked and remanded the above-mentioned Patent Court judgment on the ground that the Patent Court did not examine domestic use or recognition by the general public, thus further generalizing the tendency of separating last name and first name in the comparison of name trademarks.

(2) ***NINA RICCI case*** *(Supreme Court Decision 2001Hu2986 decided Jan 10, 2003)*

Since the Supreme Court judgment revoking the Patent Court's judgment in BOBBI BROWN case, 'holdings of generalized separation' has long been an established criteria for name trademark, and separation between last name and first name was a prerequisite with few exceptions.

Then, in the above-mentioned 2001Hu2986 judgment, on similarity between RobertoRicci and NINA RICCI, the Supreme Court held, based on specific circumstance wherein the mark of this case was always used and recognized in totality, that abbreviating the mark into last name or first name was very unnatural. The gist of this judgment, in its conclusion, was to compare in totality without separating a name trademark but its logic was not different from that of 'holdings of generalized separation.'

After this judgment, 'holdings of generalized separation' continued to be applied and, in most name trademark cases, last name and first name were found to be separately mentioned.

(3) ***JIMMY CHOO case*** *(Supreme Court Decision 2005Hu2908 decided Aug 25, 2006)*

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5) VALENTINO is not similar to MARIO VALENTINO.

In this judgment, the court held that JIMMY CHOO was not similar to 

. The reason was that, despite identical part between them, given the position of the part JIMMY in the trademark, degree of its ("JIMMY") combining with other components and its location, and overall composition, form and concept of the trademarks, there is no risk of misunderstanding or confusion on the source.

After this Supreme Court judgment, there have been published articles critical of excessive separative observation[6] and, although some judgments (Patent Court Decisions 2007Heo1350 decided Apr 5, 2007[7], 2007Heo3363 decided Dec 6, 2007[8]) applied the criteria of this judgment, still most judgments kept applying 'holdings of generalized separation' and the above-mentioned judgment (2007Heo3363) was revoked and remanded by the Supreme Court (2008Hu101 decided Nov 27, 2008).

(4) ***NICOLE MILLER case*** *(Supreme Court Decision 2008Hu4783 decided Apr 9, 2009)*

With the excessive separative observation method heavily criticized, the Patent Court, in 2008Heo7959 decided Oct 24, 2008, through its criteria ("if a trademark combines letters and has many possibilities for consumers to pronounce and conceptualize it based only on a part thereof, such part may be used for comparison with prior registered trademark…") and holding ("the trademark of this case has been used in Korea since before filing of application but there is no evidence that it is a sound and concept based only on a part thereof in trade"), made it clear that a (reasonable) basis is necessary to allow separative observation of combination trademark and, through holding ("one cannot conclude that where a trademark is only composed of human names, abbreviation into a part thereof is general (assuming that it can be recognized as a name trademark)"), newly sheds light on the recognition of name trademark by general consumers, thus making this judgment quite ground-breaking.

Supreme Court Decision 2008Hu4783 decided Apr 9, 2009 was in the

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6) Dong-Se Kang, supra note 102; Sung-Joon Choi supra note 101

7) STEVEN BY STEVE MADDEN is not similar to **STEVEN ALAN**.

8) GEORGES MARCIANO is not similar to GUESS BY MAURICE MARCIANO or GUESS BY PAUL MARCIANO, GUESS BY MARCIANO.

direction of agreeing to the above-mentioned judgment. But this Supreme Court judgment, giving examples where trademarks cannot be deemed similar, again quoted the part "even if the trademarks have similar parts, the possibility of separate recognition based thereon only is slim…"[9], but it seems that the logic based on the principle of total observation does not decide whether it is 'a case where the possibility of separate recognition is slim' but whether it is 'a case where there is possibility (or probability) of separate recognition.'

This Supreme Court judgment affected many subsequent cases on name trademark. Some Patent Court judgments still applied 'holdings of generalized separation' as criteria but there have been a number of Patent Court judgments holding on to the principle of total observation by citing or applying the criteria of Supreme Court 2008Hu4783 (Patent Court Decisions 2008Heo12821 decided Jun 4, 2009, etc.,[10] and 2008Heo13695 decided Aug 12, 2009, etc.,[11] 2009Heo5820 decided Oct 23, 2009,[12] 2012Heo9105 decided Dec 13, 2012[13]), and judgments that concluded the marks were similar by comparing only part of the last name and first name also began to apply a criteria not based on 'holdings of generalized separation' but comparison of important part (Supreme Court Decisions 2008Hu5120 Sep 10, 2009,[14] 2010Hu1763 Jan 27, 2011,[15] Patent Court Decision 2012Heo3244 Jul 13, 2012, etc.[16]).

The Supreme Court, on comparison of important part, held that similarity of combination trademarks consisting of two or more letters has to be decided by appearance, name and conception resulting from entire letters of the trademark in principle but, where 'certain part of the composition with independent

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9) Supreme Court Decision 81Hu29 Jun 8, 1982 et al. held to the same effect, and the above-mentioned JIMMY CHOO judgment decided it as the criteria.

10) Eryn Brinié is not similar to 엘린 ELIN or ELIN.

11) Jack Taylor is not similar to Jack Gichelaus.

12) Loro Piana is not similar to ROLO.

13) Camille Fournet PARIS is not similar to Camille Chantal.

14) KENNETH LADY BYLYNN is similar to KENNETH COLE or KENNETH MOTORS.

15) WILLIAMS-SONOMA is similar to WILLIAMS.

16) HARRIETTE KIM is similar to HARRIET. Homme 해리어트 옴므.

distinctiveness as a product due to state of letter combination, etc.,' i.e., important part, is enough to be put in the trade, similarity of trademark can be decided by appearance, name and conception resulting from the important part (Supreme Court Decision 2006Hu3502 Mar 29, 2007, 2006Hu3335 Mar 27, 2008, etc.).

IV. Proposal on the criteria of similarity in name trademark

1. Criteria in common with that of general combination trademarks

Name trademark belongs to a combination trademark so most criteria thereof are no different from those of general combination trademarks. Supreme Court Decision 94Hu1824 May 12, 1995, etc. ("the same shall apply to combination trademarks composed of names") did not distinguish between combination trademark and name trademark.

The following may be considered in deciding similarity of combination trademarks which combine letters.

(1) In principle, both marks are compared in totality.

The Patent Court, in 2005Heo919 May 13, 2005, while adopting "no risk of misunderstanding or confusion on specific source" as the criteria, held "in order to maintain basic nature of the Trademark Act, a law on indications, and also promote legal stability necessary to run the trademark system, such exceptional circumstances shall only be recognized when there is no difficulty in protecting consumers and traders," thus treating "no risk of misunderstanding or confusion on specific source" as exceptional circumstance, which may not be in harmony with the principle of total observation.

KIPO's Trademark Examination Criteria (2012) (Article 21 (5) 11) also states "in the following subparagraphs, similarity of name trademark has to be decided by total observation," although using an expression not identical to that of the

17) Subparagraphs subject to total observation include the circumstances ① where full name is used in trade, ② where the name is, to a certain degree, recognized by domestic consumers as full name, ③ where a name that is common overseas is combined with a last name, and ④ where the name can be recognized as full name, given the trademark's form of composition.

principle of total observation.[17)]

(2) However, the important part/separative observation method can also be applied by considering the following elements (the more the number of relevant elements, the easier it would be to apply the important part/separative observation method, but the criteria has to be properly adjusted with the risk of general public's confusion always in mind).

① In appearance, spacing/two-part structure
② In appearance, where different fonts/letter sizes enable distinguishment
③ In sound, where the name is too long and inconvenient to pronounce at a time
④ In sound, where there is a chance of abbreviation into part of the name due to difficulty of pronouncing full name
⑤ In concept, where a strongly distinctive part and a weakly distinctive part are combined
⑥ Where specific cases of important part/separative observation are confirmed to a considerable degree
⑦ Where there is a strong tendency of abbreviating a trademark due to nature of the relevant field

(3) Thus, by clarifying the principle and the exception and objectifying considerations permitting exceptions (however, the criteria can be properly adjusted so that it is not divorced from the realities of relevant field), the criteria can be given predictability.[18)]

2. Additional considerations in name trademark

Name trademark is a trademark that combines last name and first name of a human being. Similarity of trademark is decided using the criteria of intuitive recognition by the general public so a trademark not recognized as human name

18) In Germany, 'impression formation theory (Prägetheorie)' wherein comparison of important part is only permitted when a component of combination trademark forms overall impression thereof or does so along with an essentially different component is applied [土肥一史, Deciding similarity of combination trademark, Modern Intellectual Property Law Lectures Ⅲ: International mixing of intellectual property law, 日本評論社 (2012)].

by the general public has to be subject to the criteria of general combination trademarks and additional considerations based on name trademark's special nature need not apply.

However, a name trademark can only function as a mark indicating a specific person when last name and first name are combined so, unlike a combination trademark combining multiple distinctive important parts, generally similarity has to be decided based on the last name-first name combined trademark as a whole.[19)]

Also, although a name trademark mainly is an issue in fashion- or trend-related fields and has the function of guaranteeing product quality, in many cases value of a product is decided by the mark itself divorced from product quality, that is, by its brand. So, the general public, rather than closely examining product quality, may be more interested in the product brand and it is correct to say that products are generally classified and evaluated by the relevant trademark's full name, that is, last name-first name combined '(designer's) name' as a whole.[20)] However, there are quite a few cases where a famous trademark is abbreviated into a part of the last name or first name due to the relevant company's marketing strategy or special customs formed for a long time, and such circumstance also has to be considered in deciding similarity of trademark.

19) Geun-Bok Seo, Thoughts on similarity of name trademark, Trade Remedy Review 5 (2006).

20) The above-mentioned article by Geun-Bok Seo argues "similarity of a name, whether Korean or foreign, unless its last or first name becomes well known on its own, i.e., acquiring secondary meaning as trademark, has to be decided based on the full name combining the last name and first name."

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