



# PATENT COURT DECISIONS

Patent Court of Korea

Vol. 6  
2020

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Floodlight Lens Case

International IP Law Research Center  
of Patent Court of Korea

# **PATENT COURT DECISIONS**

**2020**

**International IP Law Research Center  
of Patent Court of Korea**

## PATENT COURT DECISIONS

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# FOREWORD

Greetings.

Year 2020 has been a year when the world has suffered a lot from the spread of Covid-19 and the importance of new technologies represented by vaccines and treatments has been desperately realized. The Patent Court of Korea, which was established in 1998 for the first time in Asia as an IP-specialized Court, filled 2020 as a year of a powerful leap towards a new 20th anniversary, reminiscent of the mission of “Creative technology is practically protected by fair law.”

First, the International IP Law Research Center, established in 2017 with the aim of strengthening the practical expertise of the Patent Court through comparative legal research on IP rights, continued active research activities in 2020. For example, a research report published in December on the subject of a review of the enhanced damages system of different countries under patent law and the practical operation plan of Korea and another research report published in January 2021 on the subject of comparative legal research on selection invention were well received.

The Patent Court established the International Division in 2018 to resolve the language barrier of foreign parties in IP disputes which account for more than 30% of all cases and to play the role of resolving international IP disputes based on the international competence of the Patent Court, and expanded the International Division to the four divisions in 2020 to prevent forum shopping.

Year 2020 was also an important year in which the Patent Court continued the International IP Court Conference, which has been

continuing since 2015. While movement between countries was virtually prohibited and many academic events at home and abroad were canceled or postponed due to global spread of Covid-19, the Patent Court hosted the 7th International IP Court Conference under the theme of “Court, IP and Globalization” attended online by 19 IP-specialized judges from eight countries in order to maintain international exchanges and cooperation accumulated so far and to share the rapidly changing major issues related to IP rights and experiences of different countries.

This year’s conference dealt with IP-related international trial system, treatment method invention and patentability, design rights of image design, indirect infringement and patent litigation, and standard essential patents and FRAND. Based on the experiences of 2020, I look forward to seeing more active international academic exchanges in 2021.

The Patent Court has published selected major decisions in English every year since 2015 with the aim of promoting harmonious resolution of IP disputes with international connections. In 2020, six decisions on patent rights, seven on trademark rights, and two on design rights were selected. The decisions on patent cases deal with factors to be considered in discretionary calculation of patent infringement and damages, doctrine of equivalence, criteria for determining novelty related to clinical trial protocols, and determination on an inventive step of genetically modified drugs, the decisions on trademark cases deal with standards of determining trademarks against social rules, simple and common marks, well-known and famous trademarks, and identity or similarity of marks, and the decisions on design cases deal with ease of creation and article of manufacture.

I hope that the sixth Patent Court Decisions will be of great help in

understanding the practice of IP litigation in Korea and that the world will overcome Covid-19 and return to the usual day. Please keep your interest in the Patent Court in the future. Thank you.

January 2021

Chief Director of International IP Law Research Center

Chief Judge of Patent Court of Korea

Seungyoung LEE



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1. *[Patent] 2018Na2063, decided November 1, 2019 (Sand Inflow Prevention Apparatus Case)* ..... 1

Pursuant to Article 128(7) of the Patent Act, in a lawsuit regarding an act of infringement of patent right, where damages are deemed to have been incurred but it is extremely difficult to establish the facts needed to prove the amount of damages due to the nature of such facts, the court may find a reasonable amount of damages based on the purport of the overall argument and the result of examination of evidence. A reasonable amount of damages under Article 128(7) of the Patent Act shall be determined first by reference to the amount of income declared by the Defendant to the tax authorities. But, the Defendant's practiced product, features which have been added by the Defendant without any connection to the patented invention are of major technical significance, and that the technical characteristics arising from such features would operate as the main motivation for purchasing the Defendant's practiced product; the result is that the technical characteristic that has no connection to the patented invention constitutes a considerable proportion in the sale of the Defendant's practiced product.

2. *[Patent] 2019Heo2813, decided November, 22 2019 (Scope of Protection Case)* ..... 28

The scope of protection of a patented invention is, in principle, determined based on the statements provided in the claim construction. In cases where the technical scope is apparent solely based on claim construction, claim construction cannot be limitedly interpreted by other statements in the specification. However, in cases where the patented invention’s technical composition is unknown, or it is impossible to determine the technical scope based on the statements alone, supplements may be made by other statements in the specification. However, even in such cases, the claim construction should not be interpreted extensively by other statements in the specification.

The statement in Claim 1, “rotatably fixed through the insertion in the front-rear direction along the receiving groove,” the technical significance is clear by the statement in the claim construction. The special meaning of the terms “rotatably” and “fixed” in the above claim construction cannot be regarded as differently defined or described in the invention’s specification or drawings.

**3. [Patent] 2019Heo4925, decided December 19, 2019 (Sludge Collection Apparatus Case) ..... 50**

The principle of resolving the problem for the patented invention of this case and the Invention for Review is identical. And the patented invention at issue has the working effect of enhancing the collection efficiency while preventing the turbidity of water quality without causing impact on the surrounding water quality in the process of sludge being sucked in, which is the same of the Invention for Review. Regarding to The suction blocking net and brush of Claim 1 of the Invention at Issue, there is only a difference in the direction in which the sludge collected through the floor cleaning is sucked in, which does not go beyond the extent to which a skilled person can easily change the design in consideration of the sludge collection apparatus’ size and characteristics of the place of its use, etc.

As such, the Invention for Review includes the elements identical to or equivalent to Claim 1 and their organic combination as it is, and is thus within the scope of rights of Claim 1.

**4. [Patent] 2019Heo4147, decided February 7, 2020 (Pertuzumab Case, 2’ international case) ..... 81**

The prior art (Plaintiff’s Exhibit 11) is merely a protocol to conduct a clinical trial and does not disclose pharmacological data indicating the presence of pharmacological effect, and no special circumstance such as the mechanism showing such pharmacological effect is clearly discovered. Therefore, a skilled person would not recognize the use of the subject invention from the prior art, and the subject invention is not denied of novelty by the prior art.

Considering the level of technical skill in the art at the time of claimed priority of the subject invention, the combination of four anticancer drugs provided in the subject invention showing a very high pathological complete response (pCR) without increase in adverse cardiac events is an effect that is significant and unexpected from the prior art (Plaintiff’s Exhibit 11), and therefore the inventive step of the subject invention is not denied by the prior art.

**5. [Patent] 2019Heo8149, decided May 7, 2020 (Treatment of Retinal Degeneration Case) ..... 108**

Element 2 of claim 7 of the Subject Invention describes the medical use that “treats retinal degeneration,” while Prior Art 1 differs in that it only states “the efficacy of cell therapy for brain injury” as medical use (hereinafter, the “Difference”). But, Prior Art 2 discloses the therapeutic use of activated Notch pathway for treating “retinal degeneration” by stating, “age-related macular degeneration (AMD) is characterized by choroidal neovascularization (CNV), and activation of the canonical Notch pathway reduced the volume of CNV lesions while inhibition of the Notch pathway exacerbated CNV lesions, and Notch signaling is a key regulator of CNV and thus a molecular target for therapeutic intervention in wet AMD.”

SB623 of Prior Art 1 is a cell transfected with a gene of the NICD, and Prior Art 2 discloses the therapeutic effect of wet AMD as a key regulator of CNV, and thus it is deemed that a skilled person would easily combine Prior Art 2 that uses Notch pathway with Prior Art 1.

**6. [Patent] 2020Heo1274, decided October 16, 2020 (Tetrahydrobiopterin Case) ..... 125**

Claim 1 is an invention on “a pharmaceutical composition for the treatment of HPA, comprising BH4 or a pharmaceutically acceptable salt thereof,” with a difference in the medicinal use when compared with Prior Art 1 by applying the “oral administration within 0 to 30 minutes after food ingestion.” Since the Administration Method at Issue is without remarkable or qualitatively

different effects that a person with ordinary skill cannot expect, the inventive step of Claim 1, which is a use invention claiming the Administration Method at Issue, is denied because a person with ordinary skill can easily come up with the invention by referring to Prior Art 1.

**7. [Trademark] 2019Heo4024, decided November 7, 2019 (Narcotic Pillow Case) ..... 151**

The ‘마약’<sup>1)</sup> part of the claimed trademark at issue is free of the concern for harming public order and customs on its own, and merely implies a pillow strong in addictiveness given excellent comfort if used in combination with a pillow, a designated good, and thus, does not constitute a ground for rejection to execute trademark registration under Article 34(1)(4) of the Trademark Act. Furthermore, the claimed trademark at issue does not offer intuitive experience of the quality, efficacy, etc. of designated goods, and since it is difficult to recognize distinction under social conventions, and it cannot be considered unfair in terms of public interest to grant exclusive use to a specific person, and thus, it also does not constitute grounds for not being able to execute trademark registration under Article 33(1)(3) and (7) of the Trademark Act.

**8. [Trademark] 2019Heo6587, decided February 14, 2020 ( Alexa Case) ..... 163**

The Claimed Mark should not be considered a simple mark because the blue circle is organically combined with a speech bubble inside. The Proposed Claimed Mark’s speech bubble shape should not be considered a common mark because it differs significantly from common speech bubble shapes in detail, such as the tail’s angle. Other figure marks combining a circle have been registered for their distinctiveness, and the Claimed Mark was registered in many foreign countries for its distinctiveness as well. Given these registration cases, the Claimed Mark should not be considered a simple and

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1) Narcotic in English.

common mark. The Claimed Mark does not fall under Article 33(1)(vi) of the Trademark.

9. *[Trademark] 2019Heo6815, decided March 20, 2020 (Amazon Case)<sup>2)</sup>*  
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The Subject Trademark and the Subject Prior-Registered Trademarks have a common feature: they include an English word “amazon.” However, the “AmazoN” part of the Subject Trademark is with little or no distinctiveness because “amazon” and its Korean transliteration correspond to a well-known geographical term. Moreover, the letter “Café” lacks distinctiveness on the designated goods, and therefore, each word cannot be deemed an essential part of the Subject Trademark. For the same reasons, the English word “amazon” and its Korean transliteration in the Subject Prior-Registered Trademarks lack distinctiveness unless there are exceptional circumstances, such as they have acquired distinctiveness based on use.

In comparing the appearance of the Subject Trademark and the Subject Prior-Registered Trademarks, we must refer to the basic principle that the determination shall be based on comparison as a whole. When comparing the appearance, the presence of an image, shape, letters, font, and the number of letters vary, and therefore, they are not considered to be similar.

2)

Subject Trademark	Prior-Registered Trademark 1	Prior-Registered Trademark 2	Prior-Registered Trademark 3
			AMAZON.COM
Prior-Registered Trademark 4	Prior-Registered Trademark 5	Earlier-Filed Trademark	
		AMAZON PRIME	

10. [Trademark] 2019Heo4871, decided April 2, 2020 (KumKang Case)

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The fact that the Trademarks in Actual Use<sup>3)</sup> are so similar that they might cause confusion as to the source of the product when compared to the Subject Trademarks, the fact that the Subject Trademarks<sup>4)</sup> had at least already been used by Korean consumers or trading parties when the Trademarks in Actual Use were in use, the fact that while the extent to which the Trademarks in Actual Use were known among the consumers seems to be far less than that of the Subject Trademarks, and the fact that the Product in Use of the Trademarks in Actual Use and the Product in Use of the Subject Trademarks are intimately related economically, among others, it may be said that the Trademarks in Actual Use might cause confusion with the products related to the business of the defendant for consumers or trading parties in the relationship with the Subject Trademarks.

If the trademark holder knew about the existence of a Subject Trademark which may cause misunderstanding or confusion and used the Trademark in Actual Use which is the same or similar to the Subject Trademark, it may be said that there was an intention to unlawfully use the trademark, and in particular, if the Subject Trademark is a publicly known or well-known trademark, unless any special circumstances exist, such as where one failed to perceive of the existence of the Subject Trademark or mark product, it is possible to presume the existence of the intention.

In view of the Subject Trademarks' reputation, it is presumed that there was an intention to unlawfully use the registered trademark for the act of using

3)	Trademark in Actual Use 1	Trademark in Actual Use 2	Trademark in Actual Use 3	Trademark in Actual Use 4	Trademark in Actual Use 5
					
4)	Subject Trademark 1	Subject Trademark 2	Subject Trademark 3	Subject Trademark 4	Subject Trademark 5
					

a similar Trademarks in Actual Use, and there is no other evidence to suggest that the plaintiff failed to perceive the existence of the Subject Trademarks.

11. *[Trademark] 2019Heo7825, decided April 16, 2020 (‘P’ Case) .. 231*

Although the claimed trademark **P** may be deemed to have a slightly designed letter “P”, the degree thereof is limited to having the shape of a rounded rectangle instead of the semicircle, still falling short of being perceived by ordinary consumers or traders as something more than a simple and common alphabet letter “P” or a newly created figure that would generate special attention such as a “tennis racket”, “household broom”, or “Chinese kitchen knife” as the plaintiff argues. Furthermore, as long as the claimed trademark is nothing more than a slightly stylized version of alphabet letter “P”, it would not be appropriate that the plaintiff has the sole right to use the mark stylizing alphabet letter “P” in a simple and easy manner.

The claimed trademark is a “trademark that consists solely of a simple and common mark” under Article 33(1)(vi) of the Trademark Act.

12. *[Trademark] 2019Heo6747, decided June 4, 2020 (‘GSHOBBY’ Case) ..... 237*

Mark at Issue: **GSHOBBY**      Prior-Used Mark: **GS**

The Subject Trademark is similar to the Prior-Used Mark because it combines “HOBBY,” with little to no distinctiveness, to “GS,” which is a well-known Prior-Used Trademark that pertains to the goods or services provided by GS Group, a well-known large corporation. There are reasons for invalidating the trademark registration under Article 7(1)(x) of the old Trademark Act, as the Subject Trademark is likely to cause confusion as if the designated goods are produced and sold by GS Group’s affiliates or those with special relations with GS Group. The Subject Trademark is subject to the reasons for invalidating the trademark registration under Article 7(1)(vi) of the old Trademark Act because it contains the well-known Prior-Used Mark as it is. The Subject Trademark is subject to the reasons for invalidating the trademark

registration under Article 7(1)(xii) of the old Trademark Act because it was registered for fraudulent purposes, such as unjust enrichment by taking advantage of the credibility and reputation embodied in the Prior-Used Mark or by diluting the Prior-Used Mark’s function as a source indicator.

**13. [Trademark] 2019Heo1308, decided November 13, 2020 (‘BOUNCE’ Case) ..... 246**




Registered Service Mark at Issue  
 Prior-registered trademark  
 Earlier-filed service mark



The subject service mark falls under the grounds for invalidation under Article 6(1)(iii) and (vii) of the Act in its relationship with ‘providing recreational and amusement facilities featuring trampolines’ among the designated service businesses thereof, but in its relationship with ‘Provision of paly facilities for children, providing recreational and amusement facilities,’ except for the above designated service business, it cannot be considered to have grounds for invalidation under Article 6(1)(iii) and (vii) of the Act, nor has it the grounds for invalidation under Article 7(1)(vii) of the Act in its relationship with the prior-registered trademark and under Article 8(1) of the Act in its relationship with the earlier-filed service mark claimed by the plaintiff. As a result, the portion of the IPTAB decision that does not accept the plaintiff’s claim ‘providing recreational and amusement facilities featuring trampolines’ among the designated service businesses of the subject service mark has erroneous grounds for concluding otherwise, but the remaining decision concluding the same shall be upheld. Thus, the plaintiff’s claim to revoke the IPTAB decision is well grounded within the scope of the above recognition and shall be granted and the remaining claim is without merit and therefore dismissed.

**14. [Design] 2019Heo3854, decided October 24, 2019 (Tooth Brush Head Case) ..... 268**

The toothbrush head of the claimed design at issue has a space in which the

toothbrush head is not bristled in an oval shape at the top, appearing as , when viewed from the plane, whereas the toothbrush head of prior design 1  does not have a space in which the toothbrush head is not bristled as such. Due to such differences above, the claimed design at issue may be considered as having an aesthetic value which is different from that of prior design 1 when viewed in its entirety, and thus it is difficult to consider that a skilled person could easily create the same by combining prior design 1 with prior design 2 , because the two designs differ in terms of the main creative motif, under only the circumstances that prior design 2 discloses a toothbrush design equipped with a circular empty space without the toothbrush head being bristled in the center of the toothbrush head, it ought to be deemed that it would be difficult for a skilled person to have motivation to form an empty oval space without the toothbrush head being bristled at the top of the toothbrush head as in the claimed design at issue.

**15. [Design] 2019Heo6655, decided May 15, 2020 (Floodlight Lens Case**



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The term “article” referred to in Article 2(i) of the old Design Protection Act pertains to a tangible property with independence. An article must be independently tradable in its normal state for it to be eligible for design registration. If that article is a part of a product, then it implies its compatibility. However, it does not necessarily mean that the part is traded and compatible. It is eligible for design registration as long as it is the subject of such an independent transaction and has the possibility of compatibility. Even though the Subject Article, “floodlight lens,” is not an end product but a part of a floodlight, the Subject Article should be considered compatible and independently tradable by the traders who buy the Subject Article to manufacture their floodlights, although it is rarely an independent trade item for general consumers regarding to the manufacturing method of a floodlight, selling ways, compatibility, etc.



**PATENT COURT OF KOREA**  
**TWENTY-THIRD DIVISION**  
**DECISION**

**Case No.** 2018Na2063 Damages (Etc.)

**Plaintiff-Appellee** A  
CEO B  
Counsel for Plaintiff Tae Il Law  
Attorney in Charge Jonghwan WOO

**Defendant-Appellant** C  
Counsel for Defendant Justice Lawfirm  
Attorney in Charge Eunsang YOO

**District Court's Decision Date** Daejeon District Court Decision  
2016GaHap106654, dated August 23, 2018

**Date of Closing Argument** September 6, 2019

**Decision Date** November 1, 2019

**ORDER**

1. The portion of the lower court's decision against the Defendant ordering payment of money in excess of the amount ordered to be paid below is revoked, and the Plaintiff's claim corresponding to the revoked portion is dismissed.

The Defendant shall pay to the Plaintiff KRW 360,000,000 together with the following amounts with respect to the same: with respect to KRW 300,000,000, an amount calculated from November 19, 2016, and with respect to the remaining KRW 60,000,000, an amount calculated from May 2, 2018, in each

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case to November 1, 2019, at the rate of 5% per annum; and an amount calculated from November 2, 2019 to the date of payment in full, at the rate of 15% per annum.

2. The remainder of the Defendant's appeal is dismissed.
3. One-third of the cost arising from this litigation shall be borne by the Plaintiff, and the remainder shall be borne by the Defendant.

## **PLAINTIFF'S DEMAND AND APPELLANT'S DEMAND**

### **1. Plaintiff's Demand**

The Defendant shall not manufacture, sell, or install any of the products set out in Appendix 1, or make an offer, or advertise or display such a product for sale or installation.

The Defendant shall pay to the Plaintiff KRW 762,285,513 together with the following amounts with respect to the same: with respect to KRW 300,000,000, an amount calculated from the day after the date of service of a duplicate of the written complaint at issue, and with respect to KRW 462,285,513, an amount calculated from the day after the date of service of a duplicate of the application for amendment of the Plaintiff's demand dated May 1, 2018, in each case to the date of payment in full, at the rate of 15% per annum.

### **2. Appellant's Demand**

The portion of the lower court's decision which ruled against the Defendant in relation to the claim for payment of money shall be revoked, and the Plaintiff's claim corresponding to the revoked part shall be dismissed (although the Defendant had originally appealed the

portion of the lower court's decision ruling against the Defendant in its entirety, by an application for amendment of the Appellant's demand dated September 20, 2018, the Appellant's demand was reduced in scope to seek revocation only of the portion against the Defendant in relation to the Plaintiff's claim for payment of money from the entire portion of the lower court's decision ruling against the Defendant).

## **OPINION**

### **1. Scope of Adjudication of This Court**

At first instance, against the Defendant, the Plaintiff sought an injunction to prevent infringement of its patent right and brought a claim for payment of money by way of compensation for the damages incurred through infringement of its patent right; the lower court granted the Plaintiff's claim in full. In this regard, as it is only the Defendant who has protested against the portion on the grant of claim for payment of money in its entirety and lodged an appeal, the subject matter of adjudication for this court shall be limited to the portion on the grant of claim for payment of money.

### **2. Background**

#### **A. Plaintiff's Patented Invention at Issue (hereinafter, the "patented invention")**

1) Title of Invention: Earth and Sand Inflow Prevention Apparatus of Intercepting Conduit

2) Filing Date of Application/ Registration Date/ Registration No.: January 15, 2005/ November 14, 2006/ No. 648265

3) Claims

**【Claims 1-8 and 13-15】** Each deleted

**【Claim 9】** An earth and sand inflow prevention apparatus of an intercepting sewer conduit (2) which is installed on a discharging side of a sewer channel (1) and includes at least one sewage inlet hole (21), wherein: a rotating shaft (3) is installed across the sewage inlet hole (21) in a transverse direction, and on each rotating shaft a rotating open and shut plate (4) is installed which opens and shuts the sewage inlet hole according to a volume of sewage; on an edge of the sewage inlet hole (21) to a rear of the rotating shaft (3) or on a rear wall of the intercepting sewer conduit (2), at least one opening stopper<sup>1)</sup> (5) is installed which controls an opening angle of each rotating open and shut plate (4) above; on the edge of the sewage inlet hole (21) either to a front or rear of the rotating shaft (3), at least one horizontal position maintenance stopper (6) is installed which controls a shut state of each rotating open and shut plate (4) above; and on a rear underside of each rotating open and shut plate (4) above, at least one rear weight (7) is installed in addition.

**【Claim 10】** The apparatus of Claim 9, wherein the rear weight (7) is comprised of a nut (71) which is fixed to each rotating open and shut plate (4) above so that a tap hole (711) is made available in a longitudinal direction, and a spiral shaft (72) fastened to the tap hole (711) in a longitudinal direction which, through adjustment of its position forward and rearward, varies a descending weight of the rear weight (7) centered around the rotating shaft (3).

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1) Although this is spelled incorrectly in the Registered Patent Gazette, it is corrected in accordance with the correct spelling of foreign words; hereinafter the same shall apply.

**【Claim 11】** The apparatus of Claim 9, wherein on a front underside of each rotating open and shut plate (4) above, at least one front weight (8) is installed in addition.

**【Claim 12】** The apparatus of Claim 11, wherein the front weight (8) is comprised of a nut (81) fixed to each rotating open and shut plate (4) above so that a tap hole (811) is made available in a longitudinal direction, and a spiral shaft (82) fastened to the tap hole (811) in a longitudinal direction which, through adjustment of its position forward and rearward, varies a descending weight of the front weight (8) centered around the rotating shaft (3).

#### 4) Main content and main drawings

##### ① Technological field and prior art

The present invention relates to an earth and sand inflow prevention apparatus of an intercepting conduit, and more particularly to an earth and sand inflow prevention apparatus of an intercepting conduit which seeks to prevent an inflow of earth and sand into the intercepting conduit installed on a sewer channel in the event that the volume of sewage flowing into the sewer channel increases due to rainwater.

In a conventional earth and sand inflow prevention apparatus, in cases of rain when there is a sharp rise in the sewage, the volume of sewage momentarily increases and, in the moment when there is a sharp increase in the sewage, as a large volume of sewage collides with the underside of the frame plate, there is a simultaneous inflow of sewage into the intercepting conduit; this leads to the frame plate momentarily maintaining a nearly vertical position. Therefore, in the early stages of rainfall where the volume of sewage increases due to rainwater, there is a problem where earth and sand flow into the collection conduit along with the sewage.

##### ② Technological problem to be solved by invention and composition of invention

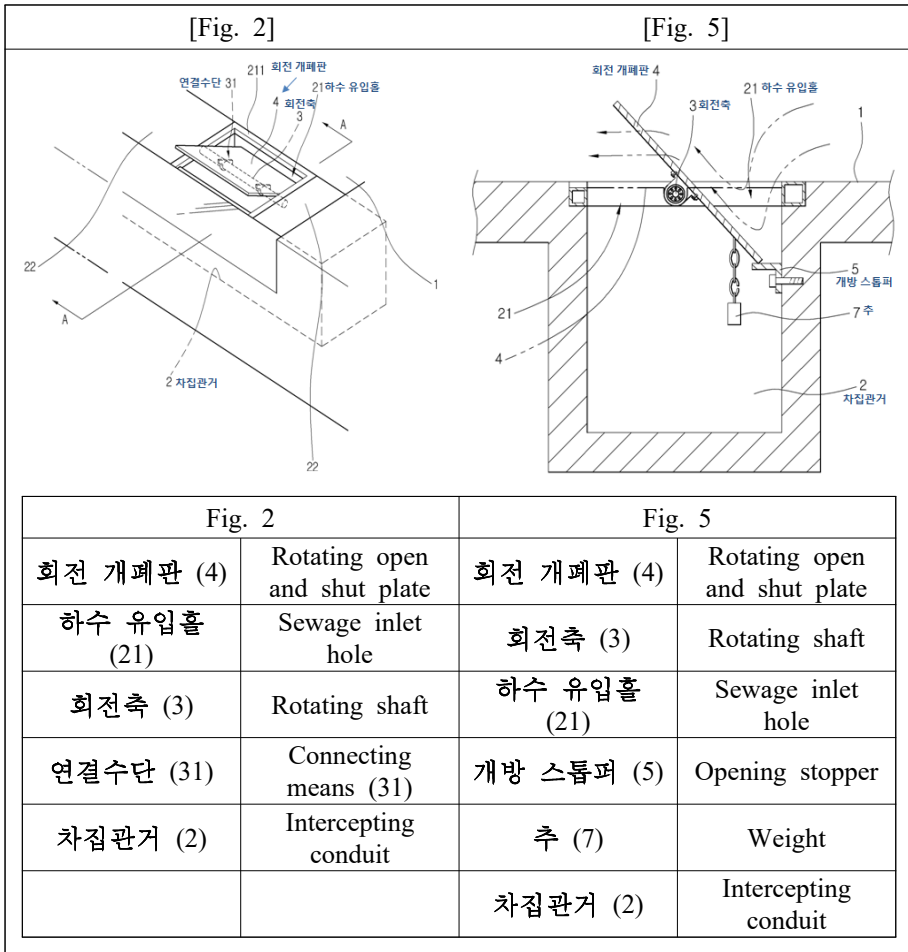
The present invention seeks to solve problems such as the above, and

its objective is to provide an earth and sand inflow prevention apparatus which, in the early stages of rainfall when the volume of sewage increases due to rainwater, by preventing the rear of each rotating open and shut plate from descending by means of an opening stopper, seeks to prevent earth and sand from flowing into the intercepting conduit in the early stages when the volume of sewage increases.

In order to achieve this objective, in normal times, as the present invention keeps open the rear of each rotating open and shut plate (4) installed on the sewage inlet hole (21), a regular volume of sewage inflow passes through the sewage inlet hole (21) into the intercepting conduit (2), and is discharged to the sewage treatment plant. Meanwhile, in the early stages of rainfall, there is a momentary and intense inflow of large volume of sewage containing earth and sand into the opening at the rear of each rotating open and shut plate (4). As the rear of each rotating open and shut plate (4) above is supported by an opening stopper (5), the rear of each rotating open and shut plate (4) is prevented from rotating further downwards. Therefore, sewage which contains a large amount of earth and sand instantaneously moves from the rear of each rotating open and shut plate (4) to the upper part of each rotating open and shut plate (4) and pushes down each rotating open and shut plate (4) with the result that each rotating open and shut plate (4) is swiftly switched to a horizontal position and shuts the sewage inlet hole (21) of the intercepting conduit (2).

**[3] Effect**

By preventing an inflow of earth and sand into the intercepting conduit (2) in the early stages of rainfall where the volume of sewage rises momentarily, the present invention has the effect not only of preventing a reduction in the cross sectional area of the intercepting conduit (2) caused by an inflow of earth and sand, but also of preventing an inflow of earth and sand into the sewage treatment plant.



## B. Defendant's Practiced Product

In carrying out the business of manufacturing, selling, and installing earth and sand inflow prevention apparatuses under the trade name ‘D’, the Defendant has been manufacturing, selling, and installing the Defendant's practiced product. As can be seen in paragraph C below, the Defendant’s practiced product includes all features of the invention for review set out in the explanatory document and drawings of [Appendix 2], which was specified in the administrative case for

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affirmative confirmation of scope of rights brought by the Plaintiff against the Defendant, and each of the Defendant's practiced products includes various additional features.

### **C. History of Related Case**

1) On January 23, 2015, by specifying an invention for review as per [Appendix 2], the Plaintiff filed a petition in the IPTAB against the Defendant with respect to the invention for review to seek a trial for affirmative confirmation of the scope of rights, claiming that the invention for review practiced by the Defendant falls within the scope of protection of Claims 9 – 12 of the patented invention. The IPTAB heard the Plaintiff's above petition for trial under Case No. 2015Dang209, and on November 20, 2015 rendered an administrative decision dismissing the petition on the grounds that the invention for review does not fall within the scope of protection of Claims 9 – 12 of the patented invention.

2) The Plaintiff appealed and filed an action in the Patent Court seeking to revoke the above administrative decision. The Patent Court heard the appeal under Case No. 2015Heo8387 and on April 19, 2016 handed down a judgment on the grounds that “As the invention for review includes all elements of Claims 9 – 12 of the patented invention, identical or equivalent, it falls within the scope of protection of such Claims” and revoked the above administrative decision, which had reached a different conclusion. The Defendant appealed and filed a final appeal in the Supreme Court under 2016Hu1079, but on October 13, 2016, the above Patent Court decision became and final and conclusive when the final appeal was dismissed by way of discontinuation of trial.

[Factual Basis] Undisputed facts, statements and videos in Plaintiff's

Exhibits 1, 2, 4, 7, 8, and 11 (including Exhibits with branching numbers; hereinafter the same shall apply), and purport of the overall argument

### **3. Summary of Parties' Arguments and Summary of Questions Presented**

#### **A. Plaintiff**

For the following reasons, the Defendant has an obligation to pay to the Plaintiff KRW 762,285,513 by way of damages for infringement of patent rights, together with damages for delay with respect to the same:

1) As the Defendant's practiced product includes all of the elements that are identical or equivalent to Claim 9 of the patented invention and Claims 10 – 12 as its dependent claims, it falls within the scope of protection of Claims 9 – 12 of the patented invention. By manufacturing and selling the Defendant's practiced product from January 1, 2014 to December 31, 2016, the Defendant infringed the Plaintiff's patent rights in Claims 9 – 12 of the patented invention.

2) Therefore the Defendant is liable to compensate for the damages incurred by the Plaintiff as a result of infringement of its patent rights. Further, the amount of damages for which the Defendant must compensate the Plaintiff may be calculated as follows pursuant to Article 128(4) of the Patent Act. In other words, the Defendant's profit from sale of Defendant's practiced product from around 2014 to 2016 is KRW 762,285,513, which is the amount of income calculated by deducting necessary expenses from the Defendant's total revenue (= KRW 479,679,104 for 2014 + KRW 197,394,707 for 2015 + KRW 85,211,702 for 2016), and such an amount may be presumed to be the damages incurred by the Plaintiff.

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### **B. Defendant**

Although the lower court's decision had required the Defendant to pay to the Plaintiff KRW 762,285,513 by way of damages together with damages for delay with respect to the same, for the following reasons, the amount of damages accepted by the lower court is excessive and must be reduced:

1) It is accepted that the Defendant's practiced product includes all of the elements that are identical or equivalent to the elements of Claims 9 – 12 of the patented invention and, as a result, that the act of manufacturing and selling the Defendant's practiced product infringes the Plaintiff's patent rights in Claims 9 – 12 of the patented invention.

2) However, although the Defendant's practiced product includes elements that are identical or equivalent to Claims 9 – 12, each product also contains additional elements, and considering matters such as the fact that in relation to Claim 9 of the patented invention, save for the 'opening stopper', all of its other elements are simply elements which had already been disclosed prior to its application, in the Defendant's practiced product, the portion constituted or contributed by the patented invention is only one part.

3) Furthermore, since the amount of revenue declared by the Defendant to the tax authorities from 2014 to 2016 includes items such as rental income, revenue from vehicle sale and purchase payment, and revenue from products unconnected to the Defendant's practiced product, such amounts must be deducted from the Defendant's sales amount when calculating the amount of damages.

### **C. Questions Presented**

As seen earlier, in appealing the portion of the lower court's

decision granting the claim for payment of money, the Defendant accepts that the act of manufacturing and selling the Defendant's practiced product infringes the Plaintiff's patent rights in Claims 9 – 12 of the patented invention, and only disputes the specific amount of damages.<sup>2)</sup>

Ultimately, then, the question presented by this case is the specific scope of compensation to be paid by the Defendant for its act of manufacturing and selling the Defendant's practiced product; hereinafter, this point shall be discussed.

#### 4. Analysis on Scope of Compensation

##### A. Established Facts

1) According to the results received by the lower court in response to its order to the Daejeon Tax Office for submission of information on taxation, the Defendant declared the total revenue, necessary expenses, and the amount of income, being the margin, generated from operation of 'D' from 2014 to 2016, as follows:

	Total Revenue (Unit: KRW)	Necessary Expenses (Unit: KRW)	Amount of Income (Unit: KRW)
2014	1,157,656,303	677,977,199	479,679,104
2015	1,180,007,248	982,612,541	197,394,707
2016	834,644,555	749,432,853	85,211,702
Total	3,172,308,106	2,410,022,593	762,285,513

2) However, in operating 'D' during the above period, the Defendant also supplied its customers products other than the Defendant's practiced product, such as access holes and odor reduction screens (Defendant's Exhibits 3, 12-14, and 24), obtained a rental

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2) See Record for Trial III dated July 24, 2019.

## PATENT COURT DECISIONS

income of KRW 220,000 in 2014 and KRW 16.55 million in 2015 (Defendant's Exhibit 21), and obtained a revenue of KRW 6 million from a vehicle sale and purchase payment (Defendant's Exhibit 22).

### **B. Applicability of Article 128(4) of Patent Act**

In order to make a presumption, by application of Article 128(4) of the Patent Act, that the amount of profit gained through an act of infringement by a person who has infringed a patent right is the amount of damages incurred by the patentee, the profit from the act of infringement itself must be specified, and as a prerequisite to such calculation, the sales amount from the act of infringement must be specified.

However, according to the established facts above, it can be seen that the total revenue and amount of income which the Defendant declared to the tax authorities with respect to revenue it generated by operating 'D' included the sales amount arising not only from the sale of Defendant's practiced product, but also from the sale of other products such as access holes and odor reduction screens, as well as amounts such as rent and revenue from a car sale and purchase payment, and these amounts are not distinguished from the revenue generated through the Defendant's practiced product; furthermore, it can be seen that the amount of income was calculated while the necessary expenses related to the sale of the Defendant's practiced product were not specified.

Therefore, as per the established facts above, the total revenue and amount of income declared by the Defendant to the tax authorities are insufficient by themselves to specify the sales amount and profit amount obtained by the Defendant through its practiced product, distinct from the sales amount and profit amount generated through other business activities, and there is no other evidence from which these may be specified. Accordingly, the Plaintiff's argument in this

regard, which had been premised on such a distinction, shall not be accepted, and there is no need to examine it further.

However, the Plaintiff's argument in this regard and related findings of fact or circumstances recognized through the record of this case and the purport of the overall argument shall be taken into account below in determining the scope of compensation under Article 128(7) of the Patent Act.

### **C. Assessment of Amount of Damages Pursuant to Article 128(7) of Patent Act**

Pursuant to Article 128(7) of the Patent Act, in a lawsuit regarding an act of infringement of patent right, where damages are deemed to have been incurred but it is extremely difficult to establish the facts needed to prove the amount of damages due to the nature of such facts, the court may find a reasonable amount of damages based on the purport of the overall argument and the result of examination of evidence; when the following circumstances are considered in addition to the facts established earlier, it is proper that the amount of reasonable damages for which the Defendant should compensate the Plaintiff pursuant to Article 128(7) of the Patent Act be set at KRW 360 million:

1) First, where the amount of profit gained by the infringer through an act of infringement is presumed to be the amount of damages incurred by the patentee, the amount of profit gained by the infringer is, in the absence of special circumstances, calculated as the marginal profit by deducting the expenses additionally incurred in the manufacture and sale of the infringing product from the total sales revenue. However, as seen earlier, in this case, the sales amount generated from the Defendant's practiced product and the profit amount after deducting expenses with respect to the same cannot be distinguished from the sales amount and profit amount generated from

## PATENT COURT DECISIONS

the Defendant's other business activities. Accordingly, a reasonable amount of damages under Article 128(7) of the Patent Act shall be determined first by reference to the amount of income declared by the Defendant to the tax authorities.

2) However, the total revenue declared by the Defendant to the tax authorities from 2014 to 2016 includes KRW 16.77 million by way of rental income and KRW 6 million of revenue from car sale and purchase payment, totalling KRW 22.77 million; as these constitute revenue generated without any connection to the Defendant's practiced product, such revenue should be deducted from the Defendant's total revenue for the purposes of calculating the Plaintiff's amount of damages. Meanwhile, although the expenses relating to these cannot be confirmed, since by their nature they do not constitute revenue of a type that gives rise to a large amount of necessary expenses, an amount similar to the above revenue amount shall be deducted from the Defendant's amount of income.

3) Furthermore, the sales amount arising from products other than the Defendant's practiced product, such as access holes and odor reduction screens, and the amount of income resulting from such an amount, also need to be deducted from the Defendant's amount of income. However, since the content of the electronic tax calculation sheet in Defendant's Exhibit 24 is unclear, with the item fields showing entries such as "odor prevention screen and two other cases", "removal and re-installation", "flow regulator re-installation", and "odor screen installation and others", the sales amount arising from access holes and odor reduction screens cannot be confirmed definitively from the above electronic tax calculation sheet entries alone, and likewise there is no way of confirming the related expenses. As for the tax calculation sheet of Defendant's Exhibit 23, relating to the Defendant's subcontract payment, it is similarly difficult to specify from this the amount of income after deduction of expenses. Accordingly, it is difficult to specify the income generated by products

other than the Defendant's practiced product, which need to be deducted from the Defendant's amount of income. However, given that the sales amount generated by such products is relatively small compared to the sales amount generated by the Defendant's practiced product, it can only be presumed that sales of the former did not make a large contribution to the amount of income of KRW 762,285,513 declared by the Defendant over the above period.

4) Furthermore, when the following circumstances are put together, it is proper that the rate of contribution made by the patented invention to the sales amount from the Defendant's practiced products and the resulting profit amount, should be held to be around 50%:

a) First, the Defendant's practiced product is equipped with features such as a means of controlling the stopper's height, a buoyancy cylinder and a water blocking unit, in addition to the elements limited by Claims 9 – 12 of the patented invention.

b) Furthermore, according to the below catalog (Defendant's Exhibit 16) on the Defendant's practiced product, it can be seen that by including features such as 'water blocking plate', 'means of controlling height of rotating open and shut plate', and 'buoyancy cylinder' in addition to the features of Claims 9 – 12 of the patented invention, the Defendant's practiced product has improved its functionality by enabling the timing of opening and closure of the rotating open and shut plate to be controlled precisely, and further by making it possible to control of the rotating open and shut plate at a minute level. It can also be seen that the Defendant advertises the functionality of the above features, which have been added to its practiced product, as the product's strength.

- ▶ As a water blocking plate is formed on the open and shut plate of the open and shut apparatus, foreign substances and leaks are prevented and the timing of opening and closure is precise.

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...(omitted)...

- ▶ As storm overflow chamber fills up with water, it is shut by the buoyant force of the lower part.
- ▶ As there are four ways of controlling the timing of closure and opening, minute and exact adjustment is possible.
  - First, adjust weight of the weights to the front and rear underside of the open and shut plate - open set-up
  - Second, target sewage amount to be collected (height of rotating open and shut plate = sewage level x 3Q) - shut set-up
  - Third, adjust width of regulation plate on the inlet hole - open and shut set-up
  - Fourth, adjust height of buoyancy of the underside of open and shut plate - shut set-up

(Section on flow regulator's characteristics on p. 2)

c) Furthermore, on March 21, 2014, the Defendant applied for certification of performance with respect to its practiced product pursuant to Article 15 of the "Act on Facilitation of Purchase of Small and Medium Enterprise-Manufactured Products and Support for Development of their Markets"; according to the overall evaluation report (Defendant's Exhibit 17) of the Daejeon-Chungnam Regional Small and Medium Business Administration which was prepared in that process, the following is stated as the Defendant's practiced product's strengths and characteristics: ① as a water blocker is integrated into the rotating open and shut plate of the flow regulator, there is no leakage and trapping of foreign substances and, in turn, there is no malfunction and the timing of opening and closure is precise; and ② regulation of inflow amount is possible to suit the characteristics of each region (adjustment by four means in total, comprising the height of rotating open and shut plate, width of drainage regulation plate, weight, and hollow tube) (see p. 10). On the other hand, in relation to the Plaintiff's product based on the patented invention, it is stated that compared to the Defendant's practiced

product: (a) adjustment according to the volume of sewage in each region is not easy; (b) it does not operate smoothly due to foreign substances, such as trash, becoming trapped between the shutting plates; (c) since the height controller is located inside the apparatus, adjustment is difficult and the height adjustment may be altered due to accumulation of trash; (d) no provision is made against reflux; (e) and it is difficult to operate in places where the flow speed is slow while the volume of sewage is high (see part on “Company M”<sup>3)</sup> on p. 12).

When the content of evaluation in the overall evaluation report is taken into account, it can be seen that compared to the Plaintiff’s product, which is based on the patented invention, the Defendant’s practiced product has been improved in its functionality so that its rotating open and shut plate operates at a precise open and shut timing and is capable of control at a minute level. Accordingly, the Defendant’s practiced product was evaluated as a product with improved functionality compared to other companies’ products, including the Plaintiff’s product, and on May 22, 2014, it received a performance certification from the Small and Medium Business Administrator on the basis of Article 15 of the “Act on Facilitation of Purchase of Small and Medium Enterprise-Manufactured Products and Support for Development of their Markets” and Article 11(4) of the Enforcement Rule of the same Act (Plaintiff’s Exhibit 3).

d) Taking all of the above together, it can be said that in the Defendant’s practiced product, features which have been added by the Defendant without any connection to the patented invention are of major technical significance, and that the technical characteristics arising from such features would operate as the main motivation for purchasing the Defendant’s practiced product; the result is that the technical characteristic that has no connection to the patented invention constitutes a considerable proportion in the sale of the Defendant’s

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3) There is no dispute between the parties that “Company M” on p. 12 of Plaintiff’s Exhibit 17 refers to the Plaintiff (see Record for Trial III dated July 24, 2019).

## PATENT COURT DECISIONS

practiced product.

e) In this regard, the Plaintiff argues that since, in relation to the Defendant's practiced product, features other than those of the patented invention have already been disclosed in the Plaintiff's other patents, and such features have merely been developed by the Defendant through imitation, the circumstance that the Defendant's practiced product includes features other than those of the patented invention should not be taken into account when calculating the amount of damages in this case.

However, as the Plaintiff is simply seeking damages from the Defendant by reason of infringement of the patent right at issue and is not seeking damages based on the Plaintiff's other patent rights, when determining the level of contribution made by the patented invention to the Defendant's practiced product, whether the Defendant's practiced product uses the Plaintiff's other patents is not something that should be taken into account. Therefore, the Plaintiff's argument above shall not be accepted.

## 5. Conclusion

Accordingly, the Defendant has an obligation to pay to the Plaintiff KRW 360 million together with the following amounts with respect to the same, by way of damages for delay: with respect to KRW 300 million, an amount calculated from November 19, 2016, as sought by the Plaintiff, being the date which from the records is clearly the day after the date of service of a duplicate of the written complaint at issue, and with respect to the remaining KRW 60 million, an amount calculated from May 2, 2018, being the date which from the records is clearly the day after the date of service of a duplicate of the application for amendment of the Plaintiff's demand dated May 1, 2018, in each case at the rate of 5% per annum as prescribed under

the Civil Act to November 1, 2019, being the date of rendition of this court's judgment, until which it is deemed to be reasonable for the Defendant to have contended the existence or extent of an obligation to comply; and from November 2, 2019, being the following day of judgment, to the date of payment in full, at the rate of 15% per annum as prescribed under the Act on Special Cases concerning Expedition etc. of Legal Proceedings. Therefore, the Plaintiff's claim for payment of money is granted within the above accepted scope as it is well grounded; the remainder of the claim is dismissed as it is without merit. The portion of the lower court's decision on the claim for payment of money which ruled against the Defendant is inconsistent with the above analysis in part and orders payment of an amount in excess of the amount accepted above and shall therefore be revoked, the Plaintiff's claim corresponding to such revoked portion shall be dismissed, and the remainder of the Defendant's appeal shall be dismissed as it is without merit. It is so ordered.

Presiding Judge	Kyuhong LEE
Judge	Sungyop WOO
Judge	Jinhee LEE

[Appendix 1]

[Drawing]

## **Explanatory Document on and Drawings of Product**

### **1. Name of Product**

Earth and Sand Inflow Prevention Apparatus of Intercepting Conduit

### **2. Brief Explanation of Product Drawings**

Fig. 1 is a side view of the earth and sand inflow prevention apparatus of the intercepting conduit in its shut state.

Fig. 2 is a side view of the earth and sand inflow prevention apparatus of the intercepting conduit in its open state.

Fig. 3 is a front view of the earth and sand inflow prevention apparatus of the intercepting conduit in its shut state.

Fig. 4 is a bottom view of the earth and sand inflow prevention apparatus of the intercepting conduit.

<Explanation on numbering for key parts of drawings>

1: Sewer channel

2: Intercepting conduit      21: Sewage inlet hole

3: Rotating shaft      311: Bracket      312: Bearing

4: Rotating open and shut plate      41: Drop prevention beam

5: Opening stopper      51: Height control means

52: Height control aid

6: Horizontal position maintenance stopper

7: Rear weight      71: Rear nut

8: Front weight      81: Front nut

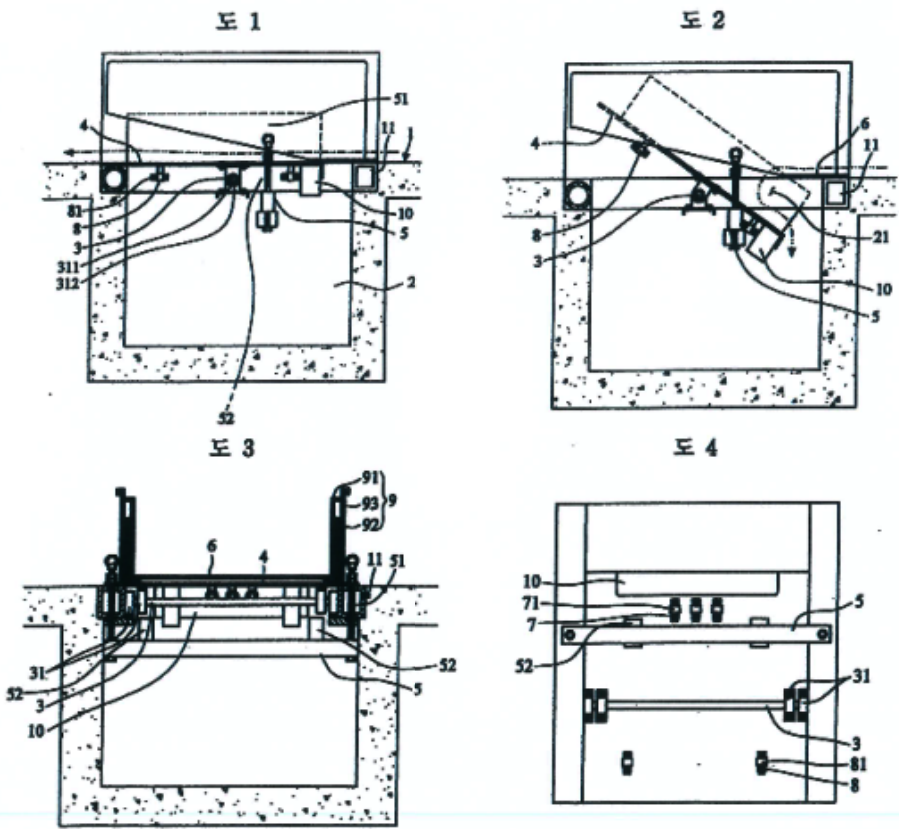
9: Water blocking unit      91: First water blocking unit

92: Second water blocking unit

93: Third water blocking unit

10: Buoyancy cylinder

[도면]



[도면]	[Drawings]
도 1	Fig. 1
도 2	Fig. 2
도 3	Fig. 3
도 4	Fig. 4

[Appendix 2]

## **Explanatory Document on and Drawings of Invention for Review**

### **1. Title of Invention for Review**

Earth and Sand Inflow Prevention Apparatus of Intercepting Conduit

### **2. Brief Explanation of Drawings of Invention for Review**

Fig. 1 is a side view of the earth and sand inflow prevention apparatus of the intercepting conduit in its shut state.

Fig. 2 is a side view of the earth and sand inflow prevention apparatus of the intercepting conduit in its open state.

Fig. 3 is a front view of the earth and sand inflow prevention apparatus of the intercepting conduit in its shut state.

Fig. 4 is a bottom view of the earth and sand inflow prevention apparatus of the intercepting conduit.

<Explanation on numbering for key parts of drawings>

1: Sewer channel

2: Intercepting conduit      21: Sewage inlet hole

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41: Drop prevention beam

5: Opening stopper      51: Height control means

52: Height control aid

6: Horizontal position maintenance stopper

7: Rear weight      71: Rear nut

8: Front weight      81: Front nut

9: Water blocking unit      91: First water blocking unit

92: Second water blocking unit

93: Third water blocking unit

10: Buoyancy cylinder

11: Frame

### **3. Detailed Explanation of Invention for Review**

The invention for review at issue relates to an earth and sand inflow prevention apparatus of the intercepting conduit, and more particularly to the prevention of inflow of earth and sand into the intercepting conduit and passage of a large volume of rainwater through the sewer channel, achieved in the early stages of rainfall by bringing sewage, which includes rainwater at such early stages, into the intercepting conduit and letting it flow through the sewer channel and, later on, if the volume of sewage flowing into the sewer channel increases due to rainwater, by preventing it from flowing into the intercepting conduit installed in the sewer channel.

In the invention for review at issue which seeks to achieve the above objective, an intercepting sewer conduit (2) which is installed on the discharging side of the sewer channel and includes a sewage inlet hole (21), wherein a frame (11) which wraps around the edges of the above sewage inlet hole, a rotating shaft (3) which runs across the above sewage inlet hole (21) in a transverse direction, a rotating open and shut plate (4) positioned on top of the above rotating shaft, which attaches to a bearing (31), which is in turn attached to the above rotating shaft, and a bracket (311) that wraps around the bearing; opens and shuts the sewage inlet hole (21) according to the volume of sewage; and has a hardened reinforcement with one end broken up and bent downwards, and the above rotating shaft is located on the rear side of the center of the above rotating open and shut plate, to the rear of the above rotating shaft, an opening stopper (5) which is attached to the height control means (51) installed on either side of the frame and has a height control aid (52) that controls or regulates the opening angle of the above rotating open and shut plate, and a horizontal position maintenance stopper (6) which regulates the shut state of the above rotating open and shut plate, are installed, the above height control means consists of a long bolt which goes through and attaches to the frame with its end going through the opening stopper

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and being fastened by the lower nut, an eye nut which is integrated into the top part of the long bolt and is exposed on the top part of the frame, and a top nut which is fixed to the long bolt and is supported by the top side of the frame, on the front and rear underside of the above rotating open and shut plate, a plurality of front nuts (81) and rear nuts (71) which are attached to the rotating open and shut plate, and a front weight (8) and a rear weight (7) of the spiral shaft which are attached to the above front nut and rear nut, are installed, to the rear of the above rotating shaft a buoyancy cylinder (10) is positioned to maneuver the above rotating open and shut plate into shutting through buoyant force, and to prevent sewage from flowing on the sides, on the sides of the above rotating open and shut plate and the above horizontal position maintenance stopper, a water blocking unit (9) is formed consisting of the second water blocking unit (92), the first water blocking unit (91) and the third water blocking unit (93).

To explain how the invention for review at issue, with these features, operates by reference to the enclosed drawings, in normal times, as illustrated in Drawing 2, as the rear of the rotating open and shut plate installed on the sewage inlet hole maintains an open position, a regular volume of sewage inflow passes through the sewage inlet hole into the intercepting conduit, and is discharged to the sewage treatment plant. In the early stages of rainfall, there is a momentary and intense inflow of sewage containing earth and sand into the opening at the rear of the rotating open and shut plate. When this happens, as the drop prevention beam (41) attached to the rear of the rotating open and shut plate comes into contact with the opening stopper, the rear of the rotating open and shut plate is prevented from rotating further downwards. As for the extent of rotation of the rear of the rotating open and shut plate, by controlling the height of the opening stopper through the height control means (51) attached to the opening stopper, it becomes possible to control the extent of rotation. Meanwhile, although the invention for review at issue shows that the rear of the rotating open and shut plate does not rotate any further due

to the opening stopper coming into contact with the drop prevention beam (41), the drop prevention beam may be omitted so that the rotating open and shut plate comes into contact directly with the opening stopper. Where, due to continuous heavy rainfall, a large volume of rainwater flows into intercepting conduits through the sewage, the limit on the sewage treatment plant's treatment capacity would be exceeded. In such a case, the flowing force of rainwater acts on the front part of the rotating open and shut plate to keep the rotating open and shut plate in a horizontal position, shutting the sewage inlet hole as illustrated in Drawing 1; the rainwater then flows past the rotating open and shut plate into the river. Depending on changes in the number of front weights (8) and rear weights (7) positioned on the front and rear underside of the rotating open and shut plate, and the location of the spiral where the front weight and rear weight of the spiral shaft attach to the front nut (81) and rear nut (71), variation can be induced in the rotating force as the front and rear moment of the rotating open and shut plate, which acts around the rotating shaft, changes. Therefore, by adjusting the opening and shutting force of the rotating open and shut plate caused by rainwater, and in turn adjusting the timing of opening and closure of the rotating open and shut plate, it is possible to regulate the volume of inflow of sewage, including rainwater, into the intercepting conduit. Furthermore, by installing a buoyancy cylinder (10) on the rear underside of the rotating open and shut plate, where sewage that has not escaped fills up the intercepting conduit, the rear of the rotating open and shut plate can be made to rise even more quickly through the buoyant force as well as the flowing force of rainwater acting on the rotating open and shut plate, and controlling the strength of the buoyant force is made possible by controlling matters such as the size and number of buoyancy cylinders being installed. In other words, by adjusting matters such as the number, size, and location of the front weight, rear weight, and buoyancy cylinder installed on the underside of the rotating open and shut plate, the timing of opening and closure of the

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rotating open and shut plate can easily be controlled, and it is this that enables the volume of sewage inflow into the intercepting conduit to be controlled. Meanwhile, to prevent sewage from flowing through the sides of the rotating open and shut plate, on the sides of the rotating open and shut plate, and the horizontal position maintenance stopper, the second water blocking unit and the first water blocking unit are positioned to prevent the flow of sewage on the sides, and to prevent the operation of rotating open and shut plate due to insertion of foreign substances between the second water blocking unit and the first water blocking unit, the third water blocking unit is attached to the first water blocking unit to cover the second water blocking unit. This earth and sand inflow prevention apparatus of an intercepting conduit is installed with a frame (11) which wraps around the edge of the sewage inlet hole, by being integrated into the frame.



**PATENT COURT OF KOREA  
FOURTH DIVISION  
DECISION**

<b>Case No.</b>	2019Heo2813 Invalidation (Patent)
<b>Plaintiff</b>	A Representative B Counsel for Plaintiff Patent Attorney in charge Sangmun LEE
<b>Defendant</b>	Commissioner of Korea Intellectual Property Office Counsel for Defendant Daehwan KIM
<b>Date of Closing Argument</b>	October 23, 2019
<b>Decision Date</b>	November 22, 2019

**ORDER**

1. The plaintiff's petition is dismissed.
2. The cost arising from this litigation shall be borne by the plaintiff.

**PLAINTIFF'S DEMAND**

The IPTAB Decision 2018So47 date February 28, 2019 shall be revoked.

## OPINION

### 1. Background

#### A. Patented Invention at Issue (hereinafter, the “Subject Invention”) (Plaintiff’s Exhibits 1 through 3)

- 1) Title of invention: Press molding apparatus to bend molding
- 2) Filing date of application/ date of registration/ registration number: July 25, 2016/ January 9, 2018/ 1818593
- 3) Patentee: Plaintiff
- 4) Claims

**【Claim 1】** The bending punch is characterized by and comprises (1) a body that has a cylindrical receiving groove at the lower-left corner, wherein the groove is opened in an outer diagonal direction, allowing a passage through the body’s lower-left edge in the front-rear direction (hereinafter, “**Element 1**”), and (2) a roller, a part of whose circumferential surface is exposed to the outside of the body, that is rotatably fixed and used to press and bend the workpiece inserted along the receiving groove (hereinafter, “**Element 2**”) (hereinafter, “**Claim 1**,” the same applies to the remaining claims).

**【Claim 2】** The bending punch’s body according to claim 1 is equipped with the bending punch further with a cutting unit that is inclined upward toward the receiving groove, allowing the workpiece to be continuously bent after being cut.

**【Claim 3】** The bending punch’s body according to claims 1 or 2 is equipped with the bending punch further with an interference protection unit that steps backward beyond the exposed circumferential surface of the roller so that the body and the workpiece do not contact each other when the workpiece is

bent.

**[Claim 4]** A punch holder; a punch plate installed in the punch holder; a body that has a cylindrical receiving groove at its lower-left corner; the groove is opened in an outer diagonal direction, allowing a passage through the body's lower-left edge in the front-rear direction; a bending punch with a roller, a part of whose circumferential surface is exposed to the outside of the body, is rotatably fixed and used to press and bend the workpiece inserted along the receiving groove; and a bending-type press mold comprises detachable fixing pins installed on the punch plate, facing each other with the bending punch in the middle to prevent the roller from falling out from the receiving groove of the body

#### 4) Summary of Invention

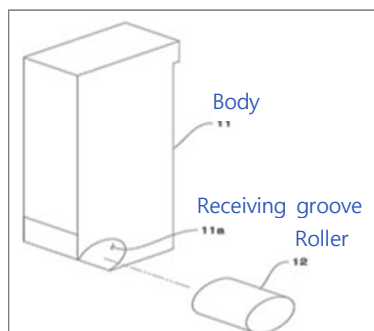
##### A. Background Art and Technical Problem

The present invention relates to a bending punch and a press bending mold having the same. [0001]

The present invention aims to provide a bending punch and a press bending mold equipped with the same that can minimize iron powder formation, thereby extending the bending punch's life, and improve productivity by performing the bending and cutting processes simultaneously. [0010]

##### B. Main Content

According to Embodiment 1, the bending punch (10) consists of a body (11) and a roller (12). The body (11) is a rectangular block, and in this embodiment, it is detachably fixed to a bending mold's punch plate to press the workpiece. Moreover, it is integrally formed with a receiving groove (11a) opened in the front-rear direction diagonally and located on



**Figure 1. Perspective Diagram of Assembly of Embodiment 1**

one side of the body surface, facing the workpiece (M). Thus, the receiving groove (11a)'s inner surface should be smooth to allow the roller (12) to rotate smoothly.

The roller (12) is a round bar having a smooth surface, and in this embodiment, it is rotatably fixed to the receiving groove (11a), and a part of its circumferential surface is exposed to the outside of the body (11). [0037-0042]

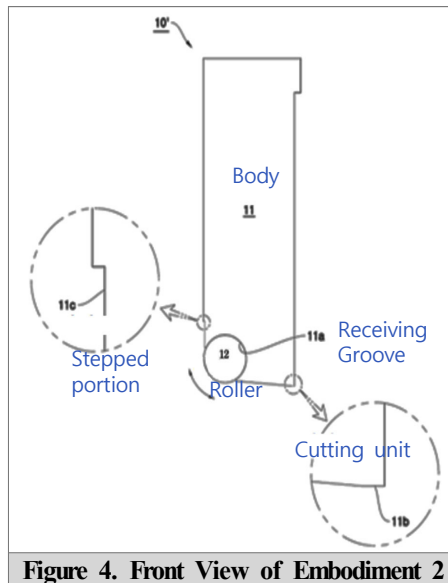
According to Embodiment 2, the bending punch (10') has the same overall configuration as the bending punch (10) of the first embodiment, except that it is further reinforced by a cutting unit (11b) on the lower part of the body (11).

The cutting unit (11b) is formed on the opposite side (lower right) of the body (11)'s receiving groove (11a), inclined upward toward the receiving groove (11a). For example, when an uncut workpiece (M) is pressed by the bending punch (10'), it is cut by the cutting unit (11b) and then bent by the roller (12). The process then proceeds continuously.

Therefore, according to this embodiment, the addition of the cutting unit (11b) to the body (11) considerably improves production efficiency and simplifies production because the workpiece (M) can be cut and bent in a single process. [0054-0059]

### C. Effect

When bending a workpiece, the roller descends while rolling along the workpiece's bent surface, thus minimizing the problem of friction with the workpiece or scratching the workpiece's surface. Subsequently, damage to the workpiece's surface and iron powder formation can be fundamentally prevented. Above all, there is an advantage that the bending punch's life can be extended because the iron powder does not



**Figure 4. Front View of Embodiment 2**

## PATENT COURT DECISIONS

stick to the bottom of the body. [0088]

Moreover, the addition of the cutting unit to the body considerably improves production efficiency and simplifies production because the workpiece can be cut and bent in a single process. [0101]

### B. Prior Arts

#### 1) Prior Art 1 (Defendant's Exhibit 1)<sup>1)</sup>

The invention relates to a “press mold for the bending machine” disclosed in Issue No. 20-0250992 of the Utility Model Registration Gazette on January 12, 2002, whose content and drawings are as follows.

##### (A) Technical Problem

The present invention relates to a press mold for the bending machine. In particular, it relates to a press mold for bending machine that facilitates smooth bending of pre-painted steel plates free of fine scratches or lines using a roller [Par. 3 from the bottom of p. 2, Specification].

##### (B) Main content

It relates to a press mold apparatus comprising a die part and a punching unit that mutually press and bend pre-painted steel plates. The apparatus comprises a guide member rotatably fixed to the bottom of the support member of the punching unit, whose roller-insertion groove is in the longitudinal direction at the lower edge; a rotatably fixed roller that presses the workpiece's bending end through the sliding contact inside the guide member's roller-insertion groove; roller-fixing members at the protrusions of the roller's both sides, which are assembled to keep the roller from falling out; an auxiliary punch that works with the rollers to prevent creases from forming at both ends of the bent workpiece; and bearings and bearing caps assembled with the protrusions of the roller [Par. 7, p. 3, Specification].

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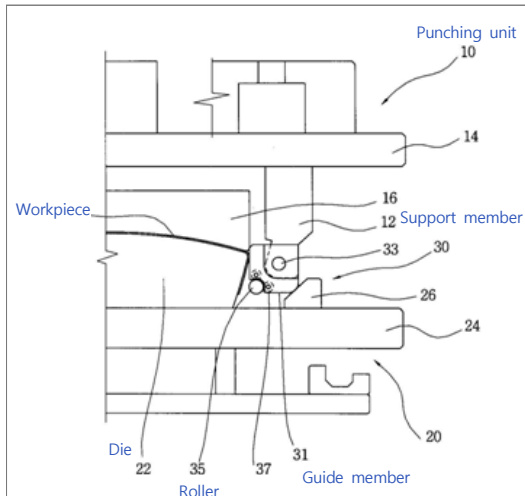
1) Prior Art 1 is evidence submitted as Compared Invention 1 at the administrative trial ruling at issue.

As shown in Figure 3, the guide member (31) in the hexahedral shape is rotatably fixed at the lower part of the punching unit (10)'s support member (12), and a roller-insertion groove is formed in the longitudinal direction at one edge below the guide member (31). The roller (35) is rotatably fixed inside the roller-insertion groove (31a) of the guide member (31) in such a way that it presses the workpiece (40)'s bending end through the sliding contact.

Many bearing insertion grooves (31c) are formed on the roller-insertion groove (31a) of the guide member (31). In this way, it makes it ideal when each bearing (37) is inserted into the bearing insertion groove (31c), as it can prevent the roller (35) from bowing because of its cumulative use.

A seating groove (31b) is formed on the upper surface of the guide member (31), and a connection member (32) is seated in the seating groove (31b) and fastened by a means such as a bolt (not shown in the figure). The hinge pin (33) is inserted into the aligned fastening hole (12b) (32a) after assembling the connection member (32) with the front protrusion end (12) so that the guide member (31) can rotate.

The roller-fixing members (34) are assembled with the protrusions (35a) formed at the end of the roller (35)'s both sides to prevent the roller (35) from falling out. It is preferable to use the fixing member (34) made of brass, which is a soft material, because it prevents abrasion of the roller (35) and makes it easy to disassemble or assemble the roller (35). In particular, an auxiliary punch (36) is assembled with both ends of the roller (35) to interwork with the roller (35) to prevent creases from forming at the corner of the workpiece (40) during the bending process.



**Figure 3. Cross-Section of the Press Mold Apparatus**

The auxiliary punch (36) has a stepped portion (36a) [Par. 2 through 7, p. 4, Specification].

**C. Effect**

As the processed workpiece's surface is not deformed, and its original shape is preserved, there is no need to perform preparatory or post-corrective work as in the prior arts. As a result, the number of processes is reduced, the production cost is saved, and the quality is improved. [The Par.. at the bottom of p. 4, Specification]

2) Prior Art 2 (Defendant's Exhibit 2)<sup>2)</sup>

The invention relates to a "panel cutting and bending the structure of the press die" disclosed in Issue No. 1999-0026140 of the Utility Model Registration Gazette on July 15, 1999, whose content and drawings are as follows.

**(A) Problem to be solved**

The present invention relates to a panel cutting and bending the structure of a press die. The structure allows the press die to cut and bend panels at the same time, reducing the number of processes [Par. 2 from the bottom of p. 1, Specification].

**(B) Main content**

The lower die (3) consists of a lower pad (7) for mounting panels (5) and a lower scrap pad (13) supporting the panel (5)'s scrap portion (11) away from the lower pad (7) and space (9) [Par. 9, p. 2, Specification].

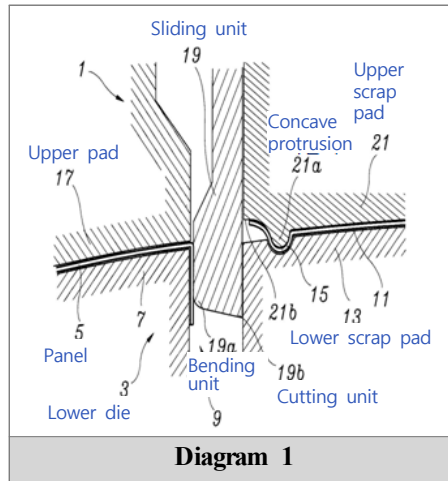
At the lower end of the sliding unit (19), a bending unit (19a) is formed adjacent to the upper pad (17). A cutting unit (19b) is formed adjacent to the upper scrap pad (21). Consequently, panels (5) can be cut and bent at the same time while the sliding unit (19) passes through space (9) [Par. 11, p. 2, Specification].

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2) Prior Art 2 is evidence submitted as Compared Invention 2 at the administrative trial ruling at issue. Prior Art 2 relates to a design, but for convenience, it is referred to as an invention herein.

### Effect

There is an advantage that the cutting and bending processes are performed at the same time when the upper die (1) descends to the lower die (3) [Par. 18, p. 2, Specification].



## C. IPTAB Decision

1) C filed a petition for patent cancellation with the Intellectual Property Trial and Appeal Board (hereinafter, the “IPTAB”) as Case No. 2018So47 against the plaintiff on May 2, 2018, within six months of the publication of the Subject Invention’s registration. C claimed that the Subject Invention’s inventive step should be denied because it could be derived easily from prior arts.

2) The IPTAB rendered a decision revoking the Subject Invention’s patent registration (hereinafter, “the IPTAB Decision”) on February 28, 2019, on the grounds that the patent’s inventive step is denied because a person having ordinary skill in the art (hereinafter, a “skilled person” could easily derive Claims 1 and 4 by referring to Prior Art 1, and Claims 2 and 3 by combining Prior Arts 1 and 2.

[Factual Basis] Undisputed facts, Plaintiff’s Exhibits 1 through 3, Defendant’s Exhibits 1 and 2, and the purport of the overall argument

## **2. Summary of Parties' Arguments**

### **A. Summary of Plaintiff's Argument for Revocation of IPTAB Decision**

1) The statement, “rotatably fixed through the insertion in the front-rear direction,” in Claim 1 should be limitedly interpreted as “no additional fixing member is necessary as the roller makes a sliding contact with the receiving groove.”

2) The Subject Invention has a different structure that requires no additional member to fix the roller (12), compared with Prior Art 1 that requires the bearing (38) and bearing cap (39) that are rotatably fixed to the protrusions at both sides of the roller (35) to facilitate the rotation. Besides, the bearing (37) of Prior Art 1 cannot be seen as a sliding or rolling bearing.

3) The Subject Invention can prevent damage because the receiving groove's inner surface supports the outer surface of the roller (12) even if stress is concentrated on the roller (12) during bending. On the other hand, in Prior Art 1, the bearing (37) is only an auxiliary member, and the stress is concentrated in the bearing (38) and bearing cap (39), which are highly likely to be damaged, and the roller (35) installation is complicated, which increases the cost. Therefore, there is a significant difference in effect.

As an inventive step of the Subject Invention is not denied by Prior Art 1 or the combination of Prior Arts 1 and 2, the IPTAB Decision inconsistent with the above is erroneous.

### **B. Defendant's Argument**

1) The statement, “rotatably fixed through the insertion in the front-rear direction,” in Claim 1 should not be limitedly interpreted

because the statement is clearly described and no limitations present in the claims.

2) Both the Subject Invention and Prior Art 1 are substantially the same in that the roller can be fixedly inserted into the receiving groove (the insertion groove) in the front-rear direction. Besides, it cannot be seen that there is a significant difference in effect by the insertion direction.

As an inventive step of the Subject Invention is denied by Prior Arts, the IPTAB Decision shall be upheld.

### **C. Questions Presented**

The issue of this case is whether the statement, “rotatably fixed through the insertion in the front-rear direction,” in Claim 1 can be limitedly interpreted as “the structure wherein the roller rotates by surface-contacting the receiving groove without using additional fixing member,” and whether the Subject Invention’s inventive step is denied by Prior Inventions. In the following, the technical meaning or technical scope of Claim 1 is determined based on claim construction. On the premise of that determination, it is examined whether an inventive step of the Subject Invention is denied.

## **3. Construction of Claim 1**

### **A. Discussion**

The scope of protection of a patented invention is, in principle, determined based on the statements provided in the claim construction. In cases where the technical scope is apparent solely based on claim construction, claim construction cannot be limitedly interpreted by other statements in the specification. However, in cases where the

## PATENT COURT DECISIONS

patented invention's technical composition is unknown, or it is impossible to determine the technical scope based on the statements alone, supplements may be made by other statements in the specification. However, even in such cases, the claim construction should not be interpreted extensively by other statements in the specification (see Supreme Court Decisions, 2010Hu2377, dated February 10, 2011, and 2010Hu1107, dated July 14, 2011).

### **B. Analysis**

Given the legal reasoning above, the statement in Claim 1, “rotatably fixed through the insertion in the front-rear direction along the receiving groove,” refers to the coupling of the roller to the receiving groove wherein the roller is rotatably supported and fixed inside the receiving groove by the insertion in the front-rear direction along the receiving groove formed on the bending punch's body, that is the longitudinal direction of the receiving groove so that a part of the roller is exposed to the outside to press a workpiece. As such, the technical significance is clear by the statement in the claim construction. The special meaning of the terms “rotatably” and “fixed” in the above claim construction cannot be regarded as differently defined or described in the invention's specification or drawings. Furthermore, there is no reason to interpret Claim 1 limitedly to “because it consists of only the elements specifically described in the claim, additional elements cannot be added.”

Therefore, regardless of the specific means of fixing and supporting the roller rotatably and into which the roller is inserted through the direct contact method, Claim 1 is only interpreted as an invention in which the roller can be fixed rotatably by being inserted in the front-rear direction along the receiving groove. The statement “rotatably fixed” shall not be limitedly interpreted as “the roller's surface is in direct contact with the receiving groove” by referring to

the statements of the invention (such as the descriptions and drawings). In addition, Claim 1 shall not be limitedly interpreted as “requiring no fixing members other than the elements indicated in the claim.”<sup>3)</sup>

Given the above, we examined the claims as below.

#### 4. Inventive Step

##### A. Claim 1

##### 1) Element-by-Element Comparison

Claim 1 is compared with Prior Art 1 on an element-by-element basis, as shown in the table below:

	Claim 1	Prior Art 1
1	A bending punch is characterized by and comprises: a <b>body</b> that has a cylindrical <b>receiving groove</b> at its lower-left corner, wherein the groove is opened in an outer diagonal direction, allowing a passage through the body's lower-left edge in the front-rear direction; and	A <b>roller-insertion groove (31a)</b> is formed in the longitudinal direction at one edge below the guide member (31) (Row 4, p. 4, Defendant's Exhibit 1).
2	a <b>cylindrical roller</b> , a part of whose circumferential surface is exposed to the outside of the body, used to press and bend the workpiece.	- The <b>roller (35)</b> is rotatably fixed inside the roller-insertion groove (31a) of the guide member (31) in such a way that it presses the workpiece (40)'s bending end through the sliding contact (lines 5 and 6, p. 4, Defendant's Exhibit 1; Figures 2, 3, and 4).

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- 3) The specification of the Subject Invention also states that “The invention providing specific embodiments may be changed or amended in various forms within the spirit and scope of the invention.” ([0103])

## PATENT COURT DECISIONS

### 2) Commonalities and Differences

Concrete commonalities and differences between Claim 1 and Prior Art 1 derived from the above table are further defined as follows:

#### A) Element 1

When comparing Element 1 with Prior Art 1, there is no difference in that the body (guide member) is formed with an open, cylindrical receiving groove (insertion groove) at the lower edge of the body (guide member).

#### B) Element 2

When comparing Element 2 with Prior Art 1, there is no difference in terms of “the bending punch comprises a cylindrical roller, a part of whose circumferential surface is exposed to the outside of the body, inserted into the receiving groove to press and bend the workpiece.”

However, the roller in Element 2 is rotatably fixed by being inserted into the receiving groove in the front-rear direction, whereas the roller in Prior Art 1, whose end is supported by the bearing (38), is rotatably fixed inside the insertion groove (31a). Therefore, unlike Element 2, the roller does not need to be inserted in the front-rear direction along the receiving groove (insertion groove; hereinafter the “**Difference**”).

### 2) Analysis of difference

A) The difference can be easily overcome for the following reasons.

(1) Although Claim 1 states that the roller is inserted into the receiving groove in the “front-rear direction” and is rotatably fixed, the specific shape of the receiving groove and the receiving groove’s support structure are not mentioned to describe how or by which structure the roller is rotatably fixed to the receiving groove.

(2) In the case of Prior Art 1, the roller-insertion groove

(31a) opening is wide enough to move the roller in the vertical direction, and the roller is further installed with the guide member (31) at its both sides. In this way, the roller is deemed to be inserted into the insertion groove in the vertical direction.

Suppose only one of the pair of the roller-fixing members (34) is first fixed to one side of the guide member (31). In that case, the roller must be inserted in the “front-rear direction” along the insertion groove so that its protrusion can be inserted into the inner ring of the bearing (38) already fixed. Therefore, Prior Art 1 cannot be considered to exclude the element wherein the roller is inserted in the “front-rear direction” along the receiving groove to be fixed rotatably. In other words, the claim of Prior Art 1 disclosing that “the roller is rotatably fixed on the roller-insertion groove so that it can rotate through the bearing (38) and bearing cap (39) that are combined to the protrusions at the roller’s both sides” should be considered to include the method of which the roller is inserted into the roller-receiving (insertion) groove in the front-rear direction.

(3) The term “insert” generally means “to put something in the gap and tighten it so that it does not fall out.” However, Claim 1 only discloses that “it is inserted in the front-rear direction along the receiving groove” without limiting the groove’s shape or whether the roller rotates in contact with the groove. Therefore, it is unclear to limit that the groove is the only member that supports the inserted roller. Even if viewed differently from this, Prior Art 1 refers to an open portion formed on one side of the guide member (31) to insert the roller as “the insertion groove (31a),” indicating that the insertion groove is the portion into which the roller can be inserted. Therefore, a skilled person can easily invent the configuration of Claim 1, wherein the roller is inserted into the receiving groove by referring to Prior Art 1.

(4) The plaintiff argues that Claim 1 differs from Prior Art 1 in that the latter requires the bearing (38) and bearing cap (39)

## PATENT COURT DECISIONS

as essential components to fix and rotate the roller, and its bearing (37) cannot be considered a sliding or rolling bearing.

The plaintiff's argument is meritless because, as previously examined, Claim 1 should be interpreted as a "configuration that supports the roller to make it rotatable." As it is clear that Prior Art 1 relates to a configuration that supports the roller by inserting it into the insertion groove (31a) to make it rotatable, both claims are included in the scope of Claim 1, regardless of whether the bearings (37, 38) are a rolling or sliding type.

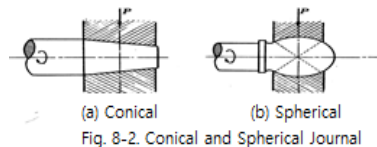
B) Even if Claim 1 is limitedly interpreted as a configuration in which the roller rotates through the surface contact by the receiving groove without a separate fixing member, as the plaintiff argues, the resulting difference is also overcome easily by Prior Art 1 on the following basis.

(1) According to the limited interpretation above, Claim 1 has a structure in which the roller is fixed so that it rotates in the receiving groove through the surface contact. It is similar to the conventional structure wherein the sliding bearing rotates while supporting the roller to make a surface-contact with the inner side of the journal (receiving groove).

In the Standard Mechanical Design (Edition 1990, Defendant's Exhibit 3),<sup>4)</sup> the bearing is defined as "a mechanical element that supports a rotating shaft to take off the load applied to the shaft, and the journal as "in contact with a bearing, the journal is a part of a shaft on which the bearing is installed, and is supported by the

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4) Defendant's Exhibit 3 indicates a "spherical journal" as a sliding bearing. The journal (receiving groove) wraps around the rotation shaft (roller) to make it rotate through the surface contact while preventing it from falling out. This method is identical to the structure of coupling the roller and the receiving groove together in Claim 1.



bearing.” It further states as follows: “Sliding bearing refers to a bearing whose surface is in direct sliding-contact with a journal with lubricant in the middle as an intermediary.” “In the case of sliding bearings, friction between the journal and the bearing is severe, and there is a lot of power loss. Thus, the reduction of friction by lubricating emerges as a critical issue.” “A rolling bearing significantly reduces friction compared with a sliding bearing by placing balls, rollers, or needle rollers between the bearing and the shaft, converting the sliding contact to the rolling contact.”

According to the descriptions above, a skilled person can select either the sliding bearing method or the rolling bearing method appropriately, considering each method’s characteristics and the work environment. Thus, it can be seen that reducing friction by adopting the rolling bearing method is well-known and commonly used art. Moreover, a skilled person would fully recognize that the roller would not regularly rotate if damaged or deformed by excessive frictional force and heat arising when the roller was compressed against the inner surface of the receiving groove to press the workpiece and that the worn roller would likely fall out from the receiving groove.

If so, it can be assumed that Prior Art 1 merely adopted an alternative means that is well-known and commonly used (that is, the structure where the bearing (37) supports the roller) to solve the problem arising from direct contact between the outer surface of the roller and the inner surface of the receiving groove. Just because the composition of Claim 1 (that is, the structure where the roller is rotably fixed) is simpler than that of Prior Art 1, it cannot be admitted that it has solved the technical difficulties or has a significant difference in effect.

(2) On the contrary, the plaintiff argues that there is a significant difference in effect in that the bearing of Claim 1 bends the workpiece with a relatively large area because the roller’s circumferential surface is in contact with the receiving groove’s inner

## PATENT COURT DECISIONS

surface, and the roller is less vulnerable to damage when compared with Prior Art 1 where stress is concentrated on the roller-supporting bearing (38) and the bearing cap (39).

However, the specification of Prior Art 1 discloses that “Many bearing insertion grooves (31c) are formed on the roller-insertion groove (31a) of the guide member (31). In this way, it makes it ideal when each bearing (37) is inserted into the bearing insertion groove (31c), as it can prevent the roller (35) from bowing because of its cumulative use” (Par. 4, p. 4, Specification). According to the statement above and Figure 3, it is understood that the bearing (37), a roller-shaped rolling member in contact with the roller, disperses the stress applied to the roller by taking the load off the roller. However, it cannot be seen that the stress is concentrated on the bearing (38) at both ends. Furthermore, it cannot be concluded that bending a workpiece with a relatively wide surface is impossible. Moreover, as previously discussed, the roller of Claim 1 is not supported by a separate bearing member, but it immediately comes into contact with the inner surface of the receiving groove. Therefore, unnecessary frictional force and heat are generated between the roller and the receiving groove’s inner surface. As a result, the parts’ life is reduced, the roller is highly likely to fall out from the receiving groove because of wear, and the roller is not evenly worn, resulting in uneven rotation.

Therefore, compared with Prior Art 1, Claim 1 does not have a remarkable effect in terms of stress distribution or parts’ damage.

### 3) Summary of analysis

On the grounds as laid out above, Claim 1 can be easily derived from Prior Art 1.

## **B. Claim 2**

A skilled person can easily derive Claim 2 by combining Prior Arts

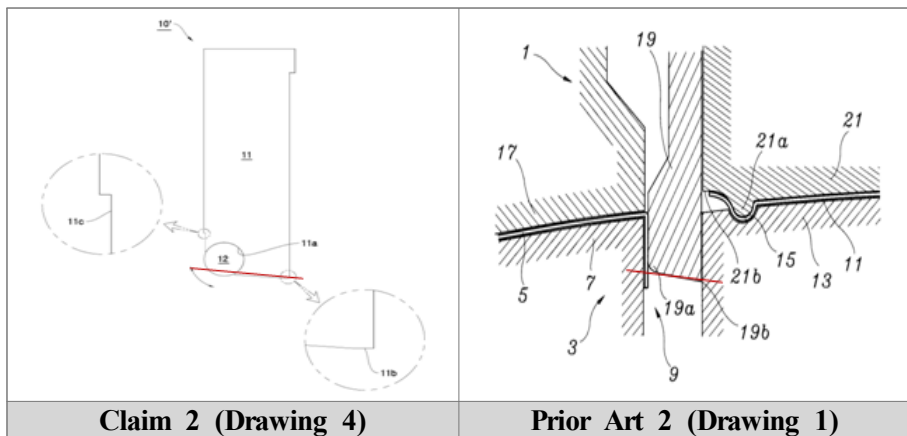
1 and 2 for the following reasons.

1) Claim 2 differs from Prior Art 1 in that the body is equipped with the bending punch further with “a cutting unit inclined upward toward the receiving groove,” allowing the workpiece to be continuously bent after being cut. In contrast, Prior Art 1 does not have the cutting unit on the body.

However, corresponding to the “cutting unit inclined upward toward the receiving groove,” Prior Art 2 discloses that the body (sliding unit) is further equipped with a cutting unit to facilitate cutting and bending processes at the same time. Thus, a skilled person can overcome the difference above by combining Prior Arts 1 and 2.

2) In Claim 2, bending occurs following cutting, that is, sequentially. On the contrary, at the lower end of the sliding unit (19) of Prior Art 2, “a bending unit (19a) is formed adjacent to the upper pad (17). A cutting unit (19b) is formed adjacent to the upper scrap pad (21). Consequently, the panel (5) can be cut and bent at the same time while the sliding unit (19) passes through space (9)” (Claim 1, Par. 11, p. 2, Specification).

The statement of Prior Art 2 above seems to indicate that cutting and bending processes occur simultaneously.



## PATENT COURT DECISIONS

However, according to Drawing 1 of Prior Art 2, the cutting unit is inclined toward the bending unit, illustrating that cutting occurs at the lower right corner of the sliding unit (19) first, and bending occurs at the lower-left corner sequentially, as same as Claim 2. Therefore, Claim 2 with the upward-inclined cutting unit toward the receiving groove is substantially identical to the configuration of the inclined cutting unit of Prior Art 2.

3) It is reasonable to conclude that a skilled person can derive Claim 2 by combining Prior Arts 1 and 2 easily for the following reasons.

Both Prior Arts 1 and 2 relate to a press molding apparatus in the same technical field.

Bending or cutting with a press apparatus is common knowledge in the technical field to which the Subject Invention belongs.

The technical essence of Prior Art 2 is to place a bending unit on one side and a cutting unit on the other side of a punch of a conventional press for cutting. It is not difficult to come with the idea of adding a cutting unit to the punching unit of an ordinary bending press apparatus, like Prior Art 1, for a skilled person by referring to Prior Art 2.

There are no formational constraints or technical difficulties that would hinder combining the cutting unit of Prior Art 2 to Prior Art 1.

### C. Claim 3

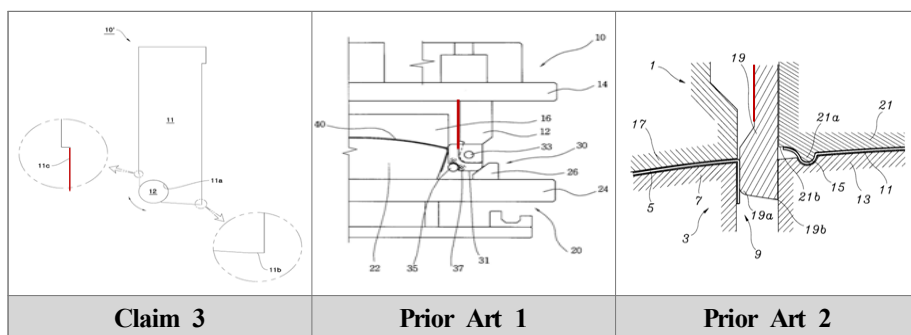
A skilled person can easily derive Claim 3 by referring to Prior Art 1 or combining Prior Arts 1 and 2 for the following reasons.

1) Prior Art 1 does not contain the interference protection unit of Claim 3 that steps backward beyond the roller's exposed circumferential surface.

However, Prior Art 1 discloses a structure where the support member (12) is behind the roller (35) and the auxiliary punch (36), ensuring that no interference with the bent workpiece arises after the bending operation. Furthermore, Prior Art 2 also discloses a further regression configuration than the bending unit (19a) formed at the lower part of the sliding unit (19) (Drawing 1).

In other words, Claim 3 relates to a structure in which the upper part of the roller is retracted after the downward bending process so that the workpiece bent downward does not interfere with the bending punch, whereas the support member of Prior Art 1 and the bending unit (19a) of Prior Art 2 relate to a structure in which the upper part is retracted so that it does not interfere with the bent workpiece after the bending process.

2) Avoiding interference (contact) between the punching unit (body) and the workpiece is common technical knowledge in the field of a press mold apparatus, to which the Subject Invention belongs. As described earlier, it is clear that both Prior Arts 1 and 2 have designed the upper part of the bending unit to retreat in consideration of the above issue. However, Claim 3 differs in that the retreated part is stepped. However, this is simply to retreat the upper side of the roller (bending unit) to avoid interference, which can be seen as ordinary creativeness. Therefore, it cannot be admitted that such a difference in composition solves the technical difficulties or brings a significant difference in effect.



#### **D. Claim 4**

A skilled person can easily derive Claim 4 by referring to Prior Art 1 for the following reasons.

1) Claim 4 and Prior Art 1 have the following commonalities: (1) they are equipped with a punch holder and a punch plate; (2) the body (guide member) has a cylindrical receiving groove (the roller-receiving groove) that allows a passage through the lower-left edge (edge on one side) of the body; (3) the roller is rotatably fixed (inserted) to the receiving groove (the roller-receiving groove) in the front-rear direction (longitudinal); and (4) a cylindrical roller is used to press workpiece, whose part of the circumferential surface is exposed to the outside.<sup>5)</sup>

2) On the other hand, Prior Art 1 has the following differences: (1) the body (the fixing member or guide member) is detachably mounted on the punch plate; and (2) there is no fixing pin to hold the roller from leaving the body's receiving groove (the roller-insertion groove).

The configuration, in which the body is detachably mounted on the punch plate under Subparagraph (1) above, is within the range of ordinary creativeness because a skilled person would want to replace the body regularly in consideration of the damage caused by excessive stress from the press operation.

When viewing that there is no specific assembly of a fixing pin and the roller in Claim 4, the configuration using a fixing pin to prevent the roller from leaving the body (the guide member)'s receiving groove can be seen as identical to that of Prior Art 1 where the roller-fixing members (34) are assembled with the protrusions (35a) at

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5) The configuration of Claim 4 related to "the roller is rotatably fixed along the receiving groove in the front-rear direction" is as same as the discussion on Claim 1.

both sides of the roller to prevent the roller (35) from coming off (lines 14 and 15, p. 4, Defendant's Exhibit 1). The difference in the fixing method is only something that can be arbitrarily selected according to need.

### **E. Summary of Analysis**

In view of the analysis laid out above, an inventive step of the Subject Invention is denied because it can easily be invented by referring to Prior Art 1 or combining Prior Arts 1 and 2.

## **5. Conclusion**

The plaintiff's petition to revoke the IPTAB Decision is without merit and therefore dismissed.

Presiding Judge	Sungsik YOON
Judge	Soonmin KWON
Judge	Tacksoo JUNG

**PATENT COURT OF KOREA**  
**SECOND DIVISION**  
**DECISION**

<b>Case No.</b>	2019Heo4925 Scope of Rights Confirmation (Patent)
<b>Plaintiff</b>	A Counsel for Plaintiff Patent Attorney Ingyeong YOO
<b>Defendant</b>	B Co., Ltd. (Tradename before change: C Co., Ltd.) CEO D Counsel for Defendant Patent Attorney Daegyung PARK Subcounsel for Defendant Patent Attorney Sangmok LEE
<b>Date of Closing Argument</b>	November 12, 2019
<b>Decision Date</b>	December 19, 2019

**ORDER**

1. The decision rendered by the Intellectual Property Trial and Appeal Board on May 31, 2019, concerning the case numbered 2019Dang49 (judgment of revocation) shall be revoked.
2. The cost arising from this litigation shall be borne by the Defendant.

## PLAINTIFF'S DEMAND

As ordered.

## OPINION

### 1. Background

#### A. The Plaintiff's Patented Invention (Plaintiff's Exhibits 2 and 3)

- 1) Title of Invention: Sludge collection apparatus
- 2) Filing Date of Application / Registration Date / Registration No.: October 17, 2002 / March 24, 2003 / Patent No. 378981
- 3) Claims

**[Claim 1]** A sludge collection apparatus characterized by consisting of suction means, housing, and a filter screen (hereinafter, “**Element 1**”) to suck and collect sludge at a floor or bottom of a lake, wherein a brush housing (32) of a semi-circular cap type is formed integrally with a fore end, and a sludge turbidity prevention pad (40) is installed along a circumference at an edge, and a plate-shaped board (6) forming a suction hole (8) (hereinafter, “**Element 2**”), wherein an end portion of a discharge hose (14) is installed at the suction hole (8) and connected to a septic tank (16) with a brush (34) installed to enable rotation in a vertical direction for the brush housing (32), together with a dredging sludge pump rotating hydraulic motor (20) (hereinafter, “**Element 3**”) combined therewith, each installed in both parts of the brush (34), a brush rotating motor (36) combined at side walls of the brush housing (32)

(hereinafter, “**Element 4**”), and a control unit (hereinafter, “**Element 5**”) regulating operation and connected with the dredging sludge pump rotating hydraulic motor (20) and the brush rotating motor (36) (hereinafter, “**Claim 1**”).

**[Claims 2 and 4]** (Deleted)

**[Claims 3 and 5]** (Provision of details omitted)

#### 4) Summary of Invention

##### **[1] Field to which the Invention Belongs and Prior Art thereof** (pp. 2-3)

The present invention pertains to a sludge collection apparatus, and in particular, to a sludge collection apparatus intended to improve collection efficiency while preventing turbidity of water quality while ensuring that no impact is made against surrounding water quality in the process of sludge being sucked in by installing a sludge turbidity prevention pad in the collection apparatus, and further to enhance workability by allowing for continued collection and purification of sludge and contaminated water by moving the collection apparatus along an underwater floor surface.

As illustrated in Fig. 6, the prior art was prior-filed and, as disclosed in Publication No. 2000-5095 (Title: Cleaning Method and Apparatus for Underwater Sludge) ...(omitted)...sludge is collected only at a certain location of the dam (100), and the sludge could not be evenly collected across the entirety of the dam (100) and thus, there is a disadvantage of reduced efficiency. Furthermore, as another illustration (which is not shown) of the prior art, while technology exists of sucking in and purifying water in which sludge is included, after floating sludge sediment by scraping it off from the bottom, such technology could not remove organic matter, inorganic matter, foreign substances, and corrosive moss which increase water contamination, etc. fixed onto the underwater floor surface, and thus, it merely achieves cleaning at a shallow level and fails to achieve cleaning at a fundamental level.

##### **[2] Technical Problem** (pp. 3-4)

The purpose of the present invention is to improve workability by allowing sludge and contaminated water to be continuously collected and purified while moving a collection apparatus along an underwater floor surface. Another purpose is to scrape off sludge and moss by brushing

the underwater floor surface, and in particular, to scrape off moss fixed thereon while rolling over gravel on the floor surface so that the underwater bottom will be cleaned at a fundamental level. Furthermore, another purpose is to enhance collection efficiency while preventing the water from being turbid by ensuring that no impact is made against the surrounding water quality in the process of the sludge being sucked in by installing a sludge turbidity prevention pad in the collection apparatus.

### **[3] Structure and Operation of the Invention (p. 4)**

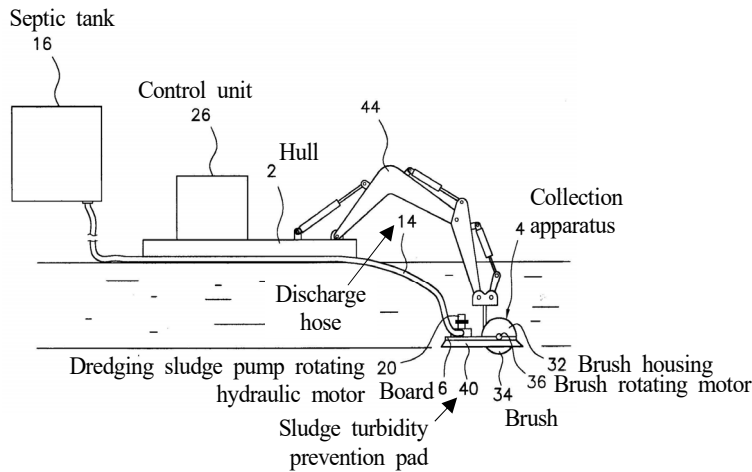
To achieve the above purposes, the present invention, in terms of the sludge collection apparatus (4) formed and including means for suction and housing and a filtering net for sucking in and collecting sludge at a floor or bottom of a lake, is characterized by forming a control unit regulating operation in connection with the dredging sludge pump rotating hydraulic motor (20) and the brush rotating motor (36), along with the brush rotating motor (36) combined in side walls of a brush housing (32) with each installed on both ends of the brush (34), with the brush (34) installed to enable rotation in a transverse direction for the brush housing (32), with the dredging sludge pump rotating hydraulic motor (20) combined with the end portion of a discharge hose (14) connected to a septic tank (16) installed on the top of the suction hole, with a board of a board shape (6) forming a suction hole (8) running through with a suction blocking net (10), the filtering net being installed with a sludge turbidity prevention pad (40) installed along a perimeter of edges while forming the brush housing (32) of a semi-circular cap type integrally in a fore end.

### **[4] Effect of the Invention (p. 6)**

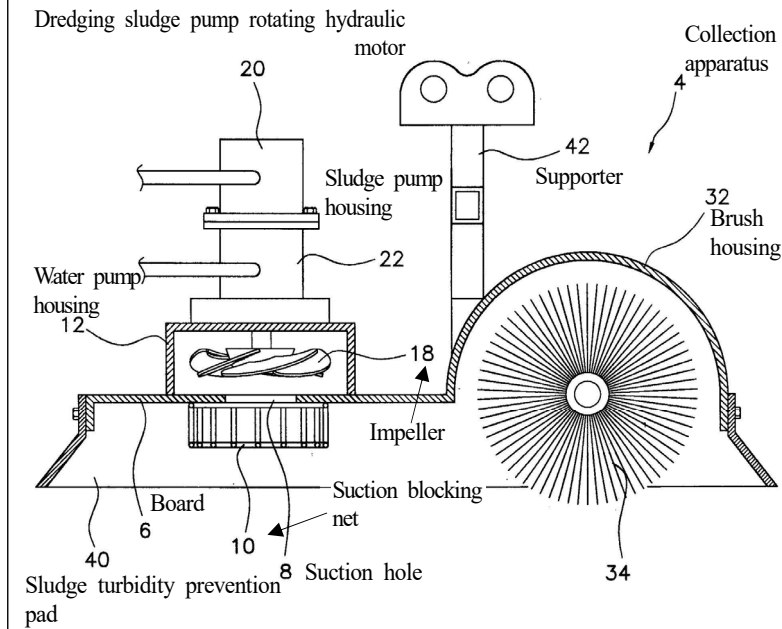
The effect is improvement of the workability by continuously collecting and purifying the sludge and contaminated water while brushing the floor using a brush while moving the collecting apparatus along the underwater floor at some location of the lake (or other dam or sea). Another effect is improving the collection efficiency by preventing water from being turbid without causing any impact against the surrounding water quality in the process of sludge being sucked in since the sludge turbidity prevention pad is installed in the collection apparatus. Furthermore, another effect is the excellent efficiency given the ability to directly discharge the sludge regardless of the presence or absence of air by operating the collection apparatus without removing the air remaining

inside the discharge hose.

<Fig. 1: Phase Diagram Where the Embodiment of Present Invention Is Connected to the Hull for Installment>



<Fig. 4: Cross-Sectional Diagram Illustrating Present Invention's Embodiment>



## **B. Invention for Review (Plaintiff's Exhibit 1, Appendix 2)**

The description and drawing pertaining to the “Underwater Sludge Sediment Removal Apparatus” implemented by the Defendant are as illustrated in the [Appendix].

## **C. Prior Arts<sup>1)</sup>**

### **1) Prior Art 1 (Defendant's Exhibit 1)**

The main drawing and details pertaining to the “suction brush of vacuum cleaner” disclosed in Korean Laid-open Patent Publication No. 1999-48499 disclosed on July 5, 1999, are as follows.

#### **① Field to which the Invention Belongs and Existing Art thereof (p. 2)**

The present invention pertains to a suction brush of a vacuum cleaner, and more specifically, pertains to a suction brush of a vacuum cleaner improved to enable durability while achieving cost savings and reducing a number of parts and assembly process by enabling rotation of brush materials without building in a separate driving motor inside.

The capacity occupied by storage rooms (130) (131) above is an element which determines the overall size of a suction brush (100). However, a driving motor (114) built in the driving motor's storage room (131) occupies most of the space of the driving motor's storage room (131), and thus, it is essential to reduce the capacity of the storage rooms (130) (131) to reduce the entire size of the suction brush (100); however, there is an issue of reducing the driving motor's storage room (131).

Furthermore, the conventional structure above frequently faces incidents of fractures of belt (115), etc., wherein the suction brush's durability significantly declines. In addition, since the assembly process and parts are required in large quantities, the manufacturing cost rises. Moreover, the conventional suction brush (100) above withdraws cable (131a), etc. for supplying power to the driving motor (114) from the main unit of the vacuum cleaner, and thus, the apparatus' structure becomes complicated,

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1) A device (for utility model) is included among prior arts, yet for convenience purposes, they are all referred to as inventions.

and in the event of short circuit of the cable (131a), etc., the durability significantly declines.

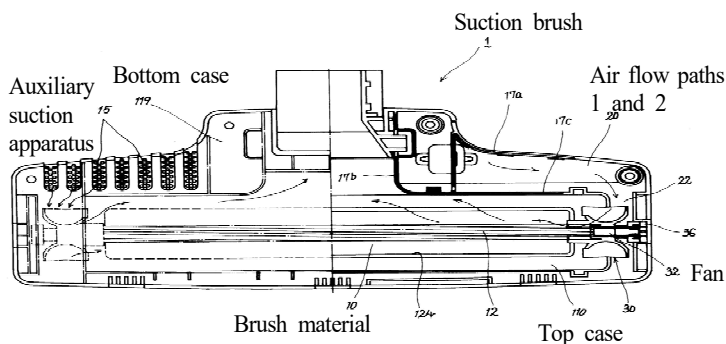
**[2] Technical Problem which the Invention Seeks to Solve (p. 2)**

The present invention is intended to solve the conventional problems above, and its purpose is to provide the suction brush of the vacuum cleaner improved to enable enhanced durability while improving the cleaning effect and achieving cost savings by reducing the number of parts and assembly process by enabling the rotation of the brush material without building in a separate driving motor inside.

**[3] Solution to the Problem (p. 2)**

To achieve the above purposes, the present invention is equipped with top and bottom cases (110) (119) which mutually combine, and in the rear side of the top and bottom cases is connected an extension pipe (118), and in terms of a suction brush (1) of the vacuum cleaner which sucks in and removes foreign substances such as dust, with suction holes formed in a center of the bottom case (110), provides the suction brush (1) of the vacuum cleaner characterized by including the auxiliary suction apparatus formed in both sides of the rear of the top case (110); air flow paths 1 and 2 (20) forming a certain space each in between the rear walls of the suction hole above along with the rear walls of the top and bottom cases and inside walls, with each deployed to enable connection with the auxiliary suction apparatus above; multiple fans built in to enable rotation each in the space connecting to the suction holes from the air flow paths 1 and 2 above; and brush materials (10) positioned in the suction holes above with both ends connected to the central axis of the fan between the fans above.

**[4] Main Drawing**



2) Prior Art 2 (Defendant's Exhibit 2)

Details pertaining to the “filter for vacuum cleaner” disclosed in Korean Laid-open Utility Model Publication No. 1998-15975 disclosed on June 25, 1998, are as follows.

**① Field to which the Invention Belongs and Existing Art thereof (pp. 1-2)**

The present invention pertains to a vacuum cleaner intended to clean foreign substances such as dust by instantaneously sucking in air through mechanical means, and in particular, pertains to a filter which enables selective filtration by way of the significance of substances among those sucked in by discharging the filter to a suction material.

In general, due to the existing suction material (10), excluding for relatively large materials, it has a disadvantage in that all of the substances in the cleaning areas are sucked in, yet there is an issue of losing valuables since relatively small substances are all sucked in regardless of the significance (value) of the substances sucked in; that is, when rocks and trash, as well as jewelry, such as rings, and other dust are mixed together. Further, if the existing vacuum cleaner were used to clean them, all of the substances disclosed above would be sucked in without filtration, and thus, jewelry such as rings would be lost.

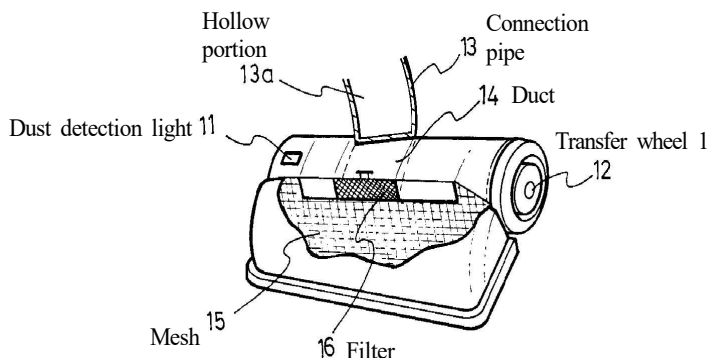
**② Technical Problem which the Invention Seeks to Solve (p. 2)**

The purpose of the present invention is to provide a filter for a vacuum cleaner intended to prevent valuables from being lost by selectively filtering substances sucked in during a vacuum cleaning process by discharging the filter required to be installed and disassembled in a sliding manner to a suction material.

**③ Solution to the Problem (p. 2)**

To achieve the above purpose, the present invention, in terms of the internal structure of the suction material (10) for the vacuum cleaner at which a mesh (15) is installed to enable selective filtration according to the size of the substances sucked in in the areas touching the bottom part of the duct (14) formed in the inside to enable connection with the connection pipe (13) and the hollow portion (13a) and the ground, has the suction material forming the duct above in a sliding manner for the filter consisting of the filtering material (16a) and the handle material (16b) to be installed and disassembled.

**4 Main Drawing**



**<Fig. 2: Front View of Filter According to Present Invention>**

**D. Procedural History**

1) On July 18, 2016, the Plaintiff petitioned against the Defendant to the Intellectual Property Trial and Appeal Board for an administrative trial for affirmative confirmation of the scope of rights concerning the Invention for Review before amendment, claiming that “the Invention for Review before amendment is within the scope of rights of Claim 1 of the Invention at Issue,” and on May 15, 2018, amended the Invention for Review before amendment as in [Appendix] (hereinafter the amended Invention for Review is referred to as “Invention for Review”).

2) The Intellectual Property Trial and Appeal Board reviewed this as the case numbered 2102Dang2016 and dismissed the above petition on June 27, 2018, reasoning that “the Invention for Review is not specified to the extent that it may be compared to Claim 1 of the Invention at Issue, and thus, the above petition for trial was made in error and could not address the defect.” The Plaintiff objected to this decision and filed a suit for cancellation of the decision with the Patent Court, and the Patent Court reviewed it under the case

numbered 2018Heo6061 and revoked the above decision on January 25, 2019, reasoning that “the Invention for Review is specifically specified so that it may be compared to Claim 1 of the Invention at Issue.”

3) Thereafter, the Intellectual Property Trial and Appeal Board reviewed the case again under the case numbered 2019Dang49 (judgment of revocation) following the 2018Heo6061 decision of the Patent Court, and then on May 31, 2019, reached the IPTAB decision dismissing the above petition for trial, reasoning that “the Invention for Review is not within the scope of the rights of Claim 1 of the Invention at Issue.”

[Factual Basis] Undisputed facts, Plaintiff's Exhibits 1 through 3, Defendant's Exhibits 1 and 2, purport of the overall arguments

## **2. Summary of Parties' Arguments**

### **A. Plaintiff**

The patented invention of this case and the Invention for Review are both intended for removing sludge sediment deposited at an underwater floor surface, the purposes of the technical field and the invention used for industry are the same, Elements 1 and 3 through 5 of Claim 1 of the Invention at Issue and the Invention for Review all have the same elements, and Element 2 of Claim 1 of the Invention at Issue and the corresponding element in the Invention for Review have an equivalent relationship. Therefore the Invention for Review is within the scope of Claim 1 of the Invention at Issue. The IPTAB decision concluding otherwise is erroneous and must be revoked.

### **B. Defendant**

The Invention for Review corresponds to a free-to-exploit technology

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which may be easily derived by a person having ordinary skill in the art to which the invention belongs (hereinafter, “skilled person”) by combining the brush disclosed in Prior Art 1 and the filtering material disclosed in Prior Art 2, while the Invention for Review is not within the scope of the rights since Claim 1 of the Invention at Issue is different from each other element, and since there is no equivalent relationship given the differences in the principles of problem solving and working effect. The IPTAB decision is lawful as it is consistent with this conclusion.

### **3. Whether IPTAB Erred**

#### **A. Whether Invention for Review Corresponds to Free-to-exploit Technology**

##### **1) Relevant law**

In discussing which invention is within the scope of rights of the patented invention, if an invention in contrast to the patented invention is created only using publicly known technology, or if a skilled person could easily carry it out with publicly known technology, then even without the need for comparison with the patented invention, it is not within the scope of rights of the patented invention (see e.g., Supreme Court Decision 96Hu1750 dated November 11, 1997; Supreme Court Decision 99Hu710 dated October 30, 2001).

##### **2) Analysis**

① The purpose of the Invention for Review is to provide an apparatus for removing underwater sludge sediments in order to remove the sludge sediments placed at a gravel surface of an underwater floor surface.

To this end, the underwater sludge sediment removal apparatus

consists of a buoyancy vessel (100), driving apparatus (200), operating room (300), suction housing (400), brush (500), pegboard (600), and exhaust pipe (700), among others, and the underwater sludge sediment removal work is performed by operating the control unit (110) while the operator is holding the handle (110a) at the buoyancy vessel's operating room (300). Specifically, the brush (500) and sludge turbidity prevention pad (430), etc. are prepared for the mobile underwater sludge sediment removal apparatus, and gravel is separated while brushing the sludge sediments placed on top of the gravel at the underwater floor surface in motion, which is discharged to the waste storage tank (120).

② In contrast, Prior Art 1 pertains to the suction brush of the vacuum cleaner, and to minimize the overall size of the suction brush, the technical problem is to enable the rotation of the brush member even without separately building in a driving motor which occupies most of the space in the driving motor storage room (see Defendant's Exhibit 1, p. 2), and to achieve this purpose, the structure of enabling the rotation of the brush member even without separately building in a driving motor inside the equipments and materials of the specification below and suction brush is adopted.

**- Corresponding Statement in the Specification of Prior Art 1 (Defendant's Exhibit 1) -**

- To achieve the purposes as in the above, this invention is equipped with the top and bottom cases which mutually combine (110) (119), is connected with the extension pipe (118) in the rear of the top and bottom cases, with a suction hole formed in the center of the bottom case (110), where in terms of the suction brush (1) of the vacuum cleaner which sucks in and removes foreign substances such as dust, provides the suction brush (1) of the vacuum clean characterized for including the auxiliary suction apparatus (15) formed on both sides of the rear of the top case (110); air flow paths 1 and 2 (20) forming a certain space each between the rear wall and insider walls of the top and bottom cases and between the rear walls of the suction hole above; multiple fans built in to enable rotation each in the space

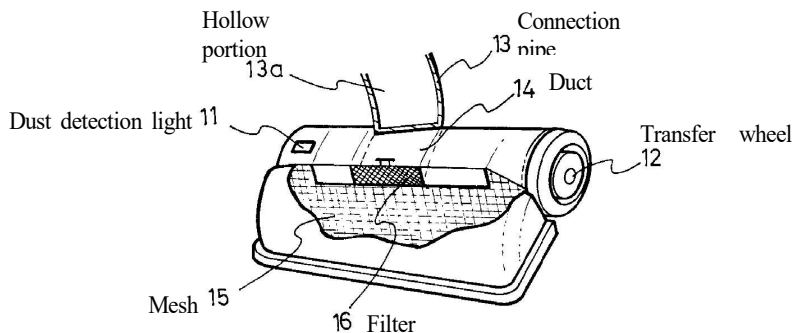
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connecting in the direction of the suction from the air flow paths 1 and 2; and the brush material (10) positioned in the suction hole with both ends connected to the central axis of the fans among the fans.

Prior Art 2 also pertains to the vacuum cleaner, yet unlike Prior Art 1, its technical problem is to address the problem of preventing the loss of valuables by selectively filtering out dust, waste, and valuables such as rings sucked in while cleaning (see Defendant's Exhibit 2, p. 2). and to achieve this purpose, a filter designed to be installed and disassembled in a sliding manner as described in the specification below is placed at the suction part to selectively filter out the substances sucked in during the vacuum cleaning under the structure of a filter adopted for vacuum cleaning.

### - Corresponding Statement in Specification of Prior Art 2 (Defendant's Exhibit 2) -

- A duct (14) is formed in the inner surface to enable connection with the hollow portion (13a) of the connection pipe (13), and in terms of the internal structure of the suction material (10) for vacuum cleaner at which a net (15) is installed to enable selective filtration by the size of substances sucked in at the areas touching the bottom part of this duct and the ground, the suction material in which the duct above was formed is structured to drain to allow for the installation and disassembly for the filter (16) consisting of the filtering material (16a) and the handle material (16b) in a sliding manner.



③ Prior Arts 1 and 2 are similar in that they are vacuum cleaners for removing dust, etc. in households, generally speaking; however, in terms of the technical problem to be addressed, they lack the connection as noted above, and thus, there is a lack of motivation to combine the two inventions.

Even assuming that a skilled person could easily select and combine the two inventions despite the differences in technical issues or structure, in order to use them for the purposes of removing sludge sediments from lakes or rivers, such as in the Invention for Review, it would be necessary to change the scale, size, and material, etc. of the apparatus designed for use as a vacuum cleaner in general households such as Prior Arts 1 and 2 to the size, material, etc. of the apparatus for removing the underwater sludge sediments. However, it is difficult to deem that a skilled person would easily combine Prior Arts 1 and 2 to derive an apparatus for removing the underwater sludge sediments, such as the Invention for Review, whose technical problem to be addressed and application areas are completely different.

### 3) Analysis conclusion

The Invention for Review does not correspond to a free-to-exploit technology since a skilled person could not easily derive it by combining Prior Art 1 with Prior Art 2.

## B. Whether Invention for Review for Review Falls Within Scope of Claim 1 of Invention at Issue

### 1) Element-by-element comparison

Claim 1 of Invention at Issue		Invention for Review
Element 1	As for the sludge collection apparatus consisting of, and <b>including, a means of suction, housing, and a filtering</b> net for	The underwater sludge sediment removal apparatus is largely classified into buoyancy (100), driving mechanism (200), operating

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Claim 1 of Invention at Issue		Invention for Review
	the suction and collection of the sludge at the floor or bottom of the lake,	room (300), <b>suction housing (400)</b> , brush (500), <b>pegboard (600)</b> , and exhaust pipe (700).
Element 2	while forming the <b>brush housing (32)</b> of a semi-circular cap type integrally with the fore end, the <b>sludge turbidity prevention pad (40)</b> is <b>installed</b> along the <b>perimeters of the edge</b> ,	<b>inside of the suction housing (400) of a cap shape</b> forms a structure where the <b>pegboard (600)</b> and the <b>brush (600)</b> are <b>sequentially built in</b> , with the <b>sludge turbidity prevention pad (430)</b> attached at the bottom.
	and the <b>suction blocking net (10)</b> , the <b>filtering net</b> above, is installed, and a the <b>board (6)</b> of a <b>board shape forming the suction hole (8) which was run through</b> ,	The <b>pegboard (600)</b> is installed between the <b>brush (500)</b> and the <b>drain (700)</b> inside the suction housing and functions to ensure that <b>only the sludge sediments are pumped through the pegboard</b> so that when the brush rotates, the sludge sediments and gravels do not float and are not pumped together.
Element 3	<b>and the dredging sludge pump rotating hydraulic motor (20)</b> which is installed on the top of the suction hole (8) and is combined with the end of the discharge hose (14) connected to the septic tank (16),	<b>The sludge sediments</b> gathered inside the suction housing (400) form <b>a means of suction</b> by connecting with the structure which is sucked in and pumped by the <b>dredging sludge pump (450)</b> after running through the <b>pegboard (600)</b> and the <b>drain (700)</b> and the <b>sludge transfer pipe (410)</b> , while the <b>sludge sediments pumped out by the dredging sludge pump (450)</b> are discharged to the waste storage tank (120).
Element 4	and the <b>brush (34)</b> installed to enable rotation in the traverse direction for the brush housing	The <b>brush (500)</b> functions to separate the sludge sediments fixed on the gravel at the

Claim 1 of Invention at Issue		Invention for Review
	(32) above, and the <b>brush rotating motor (36)</b> combined on the side walls of the brush housing (32) while each being installed on both end portions of the brush (34) above,	underwater floor surface by scraping them off, and <b>rotates in connection with the rotating brush motor (440)</b> installed on both side walls of the suction housing (400).
Element 5	Sludge collection apparatus characterized by consisting of the <b><u>control unit (26) regulating operation in connection with the dredging sludge pump rotating hydraulic motor (20) above and the brush rotating motor (36)</u></b>	A waste storage tank (120) is installed at the top of buoyancy (100), and the <b><u>operator operates the control unit (110) holding onto the handle (110a)</u></b> in the operating room (300) of the buoyancy (100) (Fig. 3)

## 2) Commonalities and differences

### a) Element 1

The compositions of Element 1 of Claim 1 and the corresponding element in the Invention for Review are identical in that they pertain to the sludge collection apparatus including the suction means (suction housing (400))<sup>2)</sup> intended for sucking and collecting the sludge underwater and the filtering net (pegboard (600)).

### b) Element 2

The compositions of Element 2 of Claim 1 and the corresponding element in the Invention for Review are identical in that they pertain to the suction blocking (10) (pegboard (600)), which is the filtering net, and the board of a board shape (6) (suction housing (400)), while the sludge turbidity prevention pad (40) (sludge turbidity prevention pad (430)) is installed in the edges and perimeters of the board (6)

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2) Within the parenthesis is the elements of the Invention for Review corresponding to the elements of Claim 1 of the Invention at Issue. The same applies hereinafter.

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and brush housing (32) (suction housing (400)).

Meanwhile, in the Invention for Review, the structure corresponding to the suction hole (8) running through the board (6) of Element 2 of Claim 1 is not explicitly disclosed, yet they are identical in that the “part where the exhaust pipe (700) is connected with the suction housing (400)” is functioning as the path intended for discharging sludge, etc. to the waste storage tank as with Element 2 above.

However, Element 2 of Claim 1 forms a brush housing (32) of a semi-circular cap type at the fore end of the board (6), whereby the brush (34) is positioned at the fore end which is not the bottom of the suction blocking net (10), whereas the difference is that the Invention for Review has the brush (500) positioned at the bottom of the pegboard (600) (hereinafter, “difference”).

### c) Element 3

The compositions of Element 3 of Claim 1 and the corresponding element in the Invention for Review are identical in that they pertain to the dredging sludge pump rotating hydraulic motor (20) (dredging sludge pump (450)) intended for discharging the sludge induced into the suction hole (8) (exhaust pipe (700)) to the septic tank (16) (waste storage tank (120)).

However, in the Invention for Review, the composition corresponding to the discharge hose (14) connecting the dredging sludge pump rotating hydraulic motor (20) and the septic tank (16) in Element 3 is not explicitly detailed, yet the above structure is generally used broadly to move the wastes collected in the technical areas of treating wastes such as sludge and trash, and thus, the two compositions are identical in essence in view of the fact that they should be naturally furnished in waste disposal devices.

### d) Element 4

Element 4 of Claim 1 pertains to the brush rotating motor (36) combined on the side wall of the brush housing (32) and is installed

on the brush (34) and both end portions of the brush (34), which are each installed to enable rotation in a transverse direction towards the brush housing (32).

Meanwhile, the description of the Invention for Review states that the 'brush (500) is rotated in connection with the rotating brush motor (440) installed on both side walls of the suction housing (400),' and according to Fig. 2, since the brush (500) of the Invention for Review is likely to rotate in the transverse direction towards the suction housing (400) by the rotating brush motor (440) combined with both side walls of the suction housing (400), the two structures are identical in essence.

e) Element 5

Element 5 of Claim 1 pertains to the control unit (26) which is connected to and regulates the operation of the dredging sludge pump rotating hydraulic motor (20) and the brush rotating motor (36), the Invention for Review only details that the 'operator operates the control unit (110) by holding onto the handle (110a) in the operating room (300).'

Examining the above details, taken together with the fact that the control unit (110) of the Invention for Review is a composition which controls and regulates the underwater sludge sediment removal apparatus, and the fact that the control unit (110) appears to be operated by the user operating the handle (110a), the fact that the subjects controlled by the control unit (110) are all subject apparatuses for the electronic control excluding the manual control, and the fact that the inclusion of the rotating brush motor (440) and the dredging sludge pump (450) is self-evident to the skilled person, the two corresponding compositions are identical in that they are connected to the dredging sludge pump rotating hydraulic motor (20) (dredging sludge pump (450)) and the brush rotating motor (36) (rotating brush motor (440)), and they pertain to the control unit (26) (control unit (110)) regulating their operations.

3) Analysis on difference: equivalent relationship

a) Relevant law

Even if and when there is a substitution or change in the structure detailed in the patent claim for the patent invention in the Invention for Review, if the principle of solving the task is identical in both inventions, and even if such substitution is opted for, and the same purpose as that of the patent invention may be achieved and the identical working effect in essence could be demonstrated, and if it is as much self-evident for a skilled person to think with ease to substitute as such, then unless the Invention for Review corresponds to a technology identical to the already publicly known technology at the time of filing for the patented invention or a technology which a skilled person could have invented with ease, or unless there is a special circumstance such as the structure substituted of the Invention for Review via the filing procedures of the patent invention corresponds to the conscious exclusion from the patent claim, the Invention for Review must be deemed to be within the scope of rights of the patented invention naturally as it is equivalent to the structure detailed in the patent claim of the patented invention overall. Furthermore, when deciding whether the principle of resolving task is identical, rather than formally extracting a part of the structure detailed in the patent claim, the core of the technical idea on which the unique means of resolution is based for the patented invention must be explored in essence and discussed if and when comparing the prior technologies by making reference to the specific details of the invention provided in the specification and the publicly known technologies at the time of filing (see e.g., Supreme Court Decision 2013Da14361 dated July 24, 2014).

Since the substantive value of a patented invention which the Patent Act seeks to protect lies with the fact that the technical problem which was not addressed by prior technologies was resolved by the patented invention, thereby contributing to technical advancement, the principle

of resolving task unique to the patented invention must be considered even when discussing whether the element modified of the Invention for Review is equivalent to the corresponding element of the patented invention. In addition, when identifying the principle of resolving the task of the patented invention, not only the specific details of the invention but also the publicly known technology at the time of filing are taken into account, whose goal is to objectively identify and provide reasonable protection for the substantive value of the patented invention in line with the extent to which the patented invention contributed to technical advancement in its relation to the overall prior technologies. Therefore, it is necessary to take into account such prior technologies and determine how broadly or narrowly to identify the principle of resolving task for the patented invention in line with the extent to which the patented invention contributed to technological advancement.

However, other technical ideas must not be replaced with the core of the technical idea while excluding the core of the technical idea identified in the specific details of the invention based on the publicly known technology not detailed in the specific details of the invention. If the discussion is made to the effect that the principle of resolving task is identical by virtue of the fact a third party who relied on the specific details of the invention used the core of the technical idea replaced as in the above even if he or she did not use the core of the technical idea identified in the specific details of the invention, unpredictable damages might be caused against the third party (see Supreme Court Decision 2017Hu424 dated January 31, 2019).

Furthermore, whether the working effect is substantially identical must be discussed based on whether the task resolved by the patented invention is also resolved as a technical problem that has not been addressed in the prior technologies. Therefore, the principle is that the working effect is substantially identical if the core of technical idea on which the means of resolution unique to the patent invention is based and identified by taking into account the specific details of the

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invention and the publicly known technologies at the time of filing is also realized at the infringed products, etc. However, if the core of the technical idea as in the above was already known at the time of filing of the patented invention or is no more than such, the core of such technical idea could not be regarded as unique to the patented invention, and the technical task which the patented invention did not address in the prior technologies could not be said to have been addressed. In which event, it is not possible to discuss whether the working effect of the patented invention is substantially identical given whether the core of technical idea is realized in the infringed products, and discussion must be made by comparing individual functions or roles, etc. of the element for which equivalence is at issue (see Supreme Court Decision 2018Da267252 dated January 31, 2019).

### b) Analysis

#### (1) Whether principle of problem solving is identical

The patented invention of this case is an invention entitled ‘Sludge collection apparatus,’ and the specific details of the patented invention of this case provide the “previously filed and disclosed Publication No. 2000-5095 (Title: Cleaning Method and Apparatus for Underwater Sludge)” as prior art, and concerning the issue of the past sludge collection apparatus, provides that “there was a technique which collected sludge only for a single location of the dam, which could not collect sludge evenly across the entire dam, which flipped the bottom to float the deposited sludge and sucked it for purification, yet such a technology had the issue of failing to properly remove the organic matter, inorganic matter, and corrosive moss which precipitated and were fixed at the underwater floor surface” (Plaintiff’s Exhibit 3, p. 3).

Furthermore, for the problem to be solved, the patented invention of this case provided that it is “preventing turbidity of the surrounding water quality in the process of sludge being sucked in by installing the sludge turbidity prevention pad in the sludge collection apparatus by having the underwater floor to be fundamentally cleaned by scraping

off the sludge and moss, etc., in the gravel of the underwater floor while rolling over the gravel of the underwater floor, continuously collecting and purifying the sludge and contaminated water by moving the sludge collection apparatus along the underwater floor surface” (Plaintiff’s Exhibit 3, pp. 3-4), and as for the means of addressing the technical task as in the above, provides that the structure is adopted of “installing the sludge turbidity prevention pad (40) in the sludge collection apparatus to avoid causing impact on the surrounding water quality in the process of sludge being sucked in, while continuously sucking in the sludge desorbed and contaminated water by continuously desorbing the sludge stuck on the gravel at the lake’s bottom by furnishing and rotating the brush (34) for the sludge collection apparatus which can move along the underwater floor surface.”

**- Corresponding Statement in Specification of Patented Invention (Plaintiff’s Exhibit 3) -**

**• Technical Problem (pps. 3-4)**

The purpose of the present invention is to enhance the workability by enabling the sludge and contaminated water to be continuously collected and purified while moving the collection apparatus along the underwater floor surface. Another purpose is to scrape off the sludge and moss via brushing of the underwater floor surface, and in particular, scrape off the moss fixed onto the surface while rolling over the gravel of the floor surface, thereby ensuring that the underwater floor is cleaned at a fundamental level. Furthermore, another purpose is to install a sludge turbidity prevention pad at the collection apparatus to prevent the water quality from becoming turbid and improve the collection efficiency by preventing the sludge from impacting the surrounding water quality in the suction process.

**• Solution to the Problem (p. 4)**

This invention intended for achieving the purposes above is a sludge collection apparatus (4) consisting of means for suction, housing, and a filtering net for the suction and collection of the sludge placed at the floor or bottom of a lake, and takes on the characteristics of being

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consisted of the control unit (26) regulating the operation in connection with the dredging sludge pump rotating hydraulic motor (20) and the brush rotating motor (36) above, along with the brush rotating motor (36) combined in the side walls of the brush housing (32) with each installed on both end portions of the brush (34) installed to enable rotation in the transverse direction for the brush housing (32) above and the brush (34) above, as well as the dredging sludge pump rotating hydraulic motor (20) combined with the end portion of the discharge hose (14) connected to the septic tank (16) while being installed on the top of the suction hole above, together with the board (6) of the form of a board forming the suction hole (8) which was run through, with the suction blocking net (10), the filtering net (10) above, installed, as the brush housing (32) of a semi-circular cap type is formed and integrated on the front end, with the sludge turbidity prevention pad (40) installed along the perimeters of the edge.

Therefore, the core of the technical idea of the patented invention at issue, which is identified in the detailed description of the patented invention at issue, is that, ① the movable sludge collection apparatus is equipped with a means for continuously sucking in the sludge and contaminated water, and the sucked in sludge and contaminated water is moved by means of purification to continuously collect the sludge, etc., ② means such as a rotating brush is furnished for the sludge collection apparatus to scrape off the sludge, etc. on the gravel of the underwater floor surface, etc. to fundamentally clean the underwater floor, and ③ means such as a sludge turbidity prevention paid is furnished for the sludge collection apparatus to prevent the turbidity of the surrounding water qualify in the process of sludge being sucked in.

However, the Invention for Review also pertains to the underwater sludge sediment removal apparatus, and the principle of resolving the problem for the two inventions is identical since it carries the core of the technical idea of Claim 1 of the Invention at Issue, as its purpose is to prevent the turbidity of outside water quality from the sludge

sediments leaking to the outside of the sludge turbidity prevention pad (430) in the course of separation for the sludge sediments and gravel by discharging them to the waste storage tank (120) by scraping off the sludge sediments fixed at the top of the gravel of the underground floor surface while furnishing and moving the brush (500) and the sludge turbidity prevention pad (430) for the movable underwater sludge sediment removal apparatus.

(2) Whether working effect is identical

① The patented invention at issue has the working effect of enhancing the collection efficiency while preventing the turbidity of water quality without causing impact on the surrounding water quality in the process of sludge being sucked in, since when the sludge turbidity prevention pad (40) installed in the collection apparatus blocks the outside movement of the floating sediments piled on the floor surface at the time brush (34) rotates, together with the working effects of enhancing the workability by continuously collecting and purifying the sludge and contaminated water (see Plaintiff's Exhibit 3, p. 6) by scraping off the floor with the brush while moving the collection apparatus along the underwater floor surface of the lake or dam, since the moss stuck on the gravel of the floor surface is scraped off cleanly while rolling over the gravel by cleaning off the sludge and moss fixed on the floor by scraping off the lake's floor as if the brush is brushing teeth (see Plaintiff's Exhibit 3, p. 5), with the sludge of the size exceeding an appropriate level failing to pass through and only the sludge of a certain size passes through by the power of suction provided by the dredging sludge pump rotating hydraulic motor (20) through the suction blocking net (10) up to the suction hole (8) if the sludge piled on the floor surface is moved by the board (6) with the brush (34) rotating in the forward direction.

② The Invention for Review also carries the core of the technical idea of Claim 1 of the Invention at Issue at it is, and the working effect with Claim 1 of the Invention at Issue is substantially identical,

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since it seems to have the working effect of preventing the contamination of water quality by preventing the discharge of the floating sediments via the sludge turbidity prevention pad along with the effect of collecting and purifying sludge, etc. continuously by scraping off the sludge sediments fixed on the top of gravel by the brush while moving the underwater sludge sediment removal apparatus.

③ Concerning which, the Defendant claims that the two inventions are different in terms of function and effect, since Claim 1 of the Invention at Issue is such that the Invention for Review does not require the process of reversing the water from septic tank as with Claim 1 of the Invention at Issue, as the sludge caught in the pegboard (600) could be removed by the rotating brush (500) near or touching the pegboard (600), while the blockage phenomenon of the suction blocking caused by the sludge caused by the operation of sludge collection apparatus is addressed by reversing the water from the septic tank by shifting the direction of rotation to the reverse direction for the dredging sludge pump rotating hydraulic motor (20) and the brush (34) by the operation of the control unit (26).

As examined earlier, the two inventions have no difference in terms of the main working effect in that the sludge collection apparatus scrapes and removes the sludge sediments fixed on the top of the gravel of the floor surface while moving along the underwater floor surface.

However, while Claim 1 achieves the effect of addressing the problem of the suction blocking net (10) being blocked by sludge, the Invention for Review does not have disclosed matters concerning the issue of pegboard (600) being blocked or concerning the means of resolution, considering ① the fact that, in Claim 1, the process of removing the sludge blocked by the suction blocking net (10) by reversing the water from the septic tank seems to be an additional process used intermittently depending on the need to remove the sludge by the suction blocking net (10) if the sludge collection

apparatus is used much, ⑥ the fact that, if the water of the septic tank is reversed to remove the sludge blocked by the suction blocking net (10), it seems that it is a permissible level for operation for sludge removal without causing impact on the extent to which it causes serious contamination even when the water leaks outside of the sludge turbidity prevention pad (40), and ⑦ the fact that, for the continuous use of the sludge collection apparatus, a process of removing the sludge remaining inside the apparatus in whichever form is required, which seems to be merely a matter which a skilled person could appropriately select according to the needs among the various technical means, among others, the effect achieved by the structure of removing the sludge blocked by the suction blocking net (10) of Claim 1 of the Invention at Issue is merely collateral to the adoption of the technical means which is not related to the core of the technical idea of Claim 1 of the Invention at Issue (see e.g., Supreme Court Decision 2012Hu1132 dated July 24, 2014), and thus, it may not be deemed that there is any difference in the substantial working effect given such difference.

**- Corresponding Statement in Specification of Patented Invention -  
(Plaintiff's Exhibit 3, pp. 5-6)**

- If the sludge is frequently blocked by the suction blocking net (10), the suction power becomes weak, in which event, regulating the control unit (26) again will operate the direction control valve (28, 38) in directions different from what was described earlier, and the flows of oil will change, reversing the direction of rotation for the dredging sludge pump rotating hydraulic motor (20) and the brush (34). Therefore, if and when the water moved to the septic tank (16) via the discharge hose (14) flows back and is discharged to the suction hole (8), the sludge blocked by the suction blocking net (10) will be pushed away, and as it is pushed by the water discharged as in the above and moves to the brush (34), then the sludge above will continue to move to the outside of the sludge turbidity prevention pad (40) by the brush (34) rotating in the reverse direction.

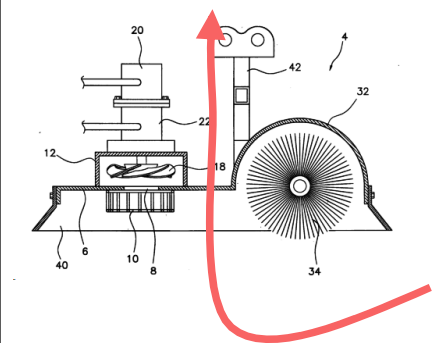
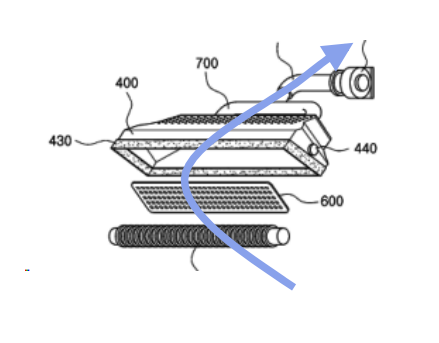
PATENT COURT DECISIONS

If and when the sludge blocked by the suction blocking net (10) moves to the outside of the collection apparatus (4) as in the above, the suction power will be maintained as in the initial state.

(3) Whether substitution is self-evident

The suction blocking net (10) and brush (34) of Claim 1 of the Invention at Issue are responsible for functions such as those of the pegboard (600) and brush (500) of the Invention for Review, yet only their installed positions are different. As may be seen in the table below, there is only a difference in the direction in which the sludge collected through the floor cleaning is sucked in, and there is no other difference in terms of the purpose or working method, and there seems to be no difference in the working effect depending on the direction of suction of the sludge, and thus, whether they must be separated and positioned as with Claim 1 or sequentially as with the Invention for Review does not go beyond the extent to which a skilled person can easily change the design in consideration of the sludge collection apparatus' size and characteristics of the place of its use, etc.

Therefore, such a substitution is deemed self-evident as it may be easily conceived by a skilled person.

Patented Invention at Issue	Invention for Review
	

### **C. Whether IPTAB Erred**

The principle of problem solving and working effect in the Invention for Review are identical to those of Claim 1 of the Invention at Issue, and replacing Element 2 of Claim 1 with the composition of the corresponding element in the Invention for Review is no more than what a skilled person could easily conceive. As such, the Invention for Review includes the elements identical to or equivalent to Claim 1 and their organic combination as it is, and is thus within the scope of rights of Claim 1. The IPTAB decision, concluding to the contrary, was made in error.

### **5. Conclusion**

The Plaintiff's petition was well-grounded in seeking that the IPTAB decision be revoked and shall be upheld. It is decided as ordered.

Presiding Judge	Jejeong LEE
Judge	Kisu KIM
Judge	Jiyoung Yi

[Appendix]

## **Explanatory Document and Drawings of Invention for Review**

### **1. Title of Invention**

Underwater sludge sediment removal apparatus

### **2. Simple Description of the Drawings**

Fig. 1 is a perspective view of the Invention for Review.

Fig. 2 is a perspective view extracted and separated off an important portion of the structure intended to form means for suction by the Invention for Review.

Fig. 3 is a side view of the Invention for Review.

〈A simple description of the important parts of the drawings〉

100: Buoyancy

200: Driving mechanism

300: Operating room

400: Suction housing

500: Brush

600: Pegboard

700: Exhaust pipe

### **3. Detailed Description of the Invention**

The Invention for Review is an underwater sludge sediment removal apparatus intended for removing the sludge sediments fixed on the surface of the gravel at the underwater floor surface.

Fig. 1 illustrates an overall figuration perspective view of the underwater sludge sediment removal apparatus which is applied to ensure that the operator holds onto the handle (110a) and operates the control unit (110) from the operating room of buoyancy when operating the work of removing sludge sediments underwater, while the Invention for Review is largely classified into buoyancy (100), driving mechanism (200), operating room (300), suction housing (400), brush (500), pegboard (600), and exhaust pipe (700), among others.

Fig. 2 is an expression made in the form of a perspective view

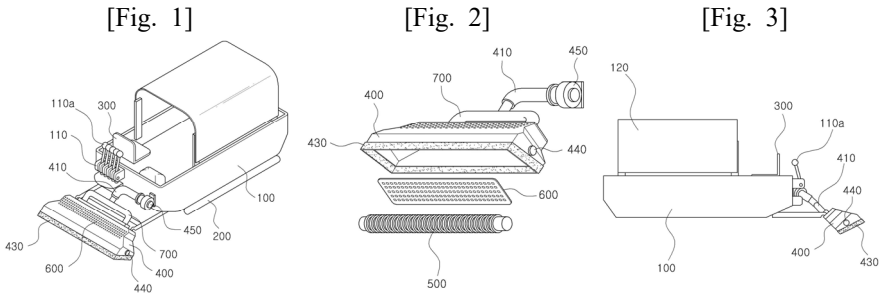
based on the corresponding structure and functions for the discussion of whether each element, forming a means of suction for the Invention for Review central to the part corresponding to the patent invention of this case, is separated and duplicated with the structure of the claim of the patent invention of this case, whereby all structures from the suction housing (400) of a cap shape to the dredging sludge pump (450) are combined to form a means of sludge suction.

The detailed structure of the suction housing (400) is such that it is a technology applied to ensure that the sludge sediments pumped up by the dredging sludge pump (450) is discharged to the waste storage tank (120), with the sludge sediments piled inside the suction housing (400) run through the drain (700) and the sludge transfer pipe (410) through the pegboard (600), while the sludge turbidity prevention pad (430) is attached at the bottom of the suction housing (400) to ensure that the sludge sediments are not leaked to the outside and gathered inside of the suction housing (400) when the sludge turbidity prevention pad (430) has the brush (440) rotating, whereby the brush (500) scrapes off the sludge sediments fixed on the top of gravel at the underwater floor surface and enables their separation from the floor surface, and rotates in connection with the rotating brush motor (440) installed on both side walls of the suction housing (400), whereby the pegboard (600) functions so that only the sludge sediments run through the pegboard to be pumped to avoid the sludge sediments and gravel being pumped up together when the brush rotates with itself being installed between the brush (50) and drain (700) inside of the suction housing, whereby the pegboard (600) and brush (500) are sequentially built in, and at the base is attached the sludge turbidity prevention pad (430).

Fig. 3 is an expression made in the form of a perspective view of the underwater sludge sediment removal apparatus which is applied to ensure that the operator operates the control unit (110) while holding onto the handle (110a) in the operating room (300) of buoyancy, with the waste storage tank forming the installed structure at the top of

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buoyancy and the means of suction presented in Fig. 2 installed.



**PATENT COURT OF KOREA**  
**FIFTH DIVISION**  
**DECISION**

**Case No.** 2019Heo4147 Rejection (Patent)

**Plaintiff** A  
Representative Charles K. Sholtz  
Counsels for Plaintiff  
Attorney Youngsun You  
Patent Attorneys Hoseop Yoe, Kuiydong Lee,  
Jinhee Lim

**Defendant** Commissioner of Korean Intellectual  
Property Office  
Counsel for the Defendant Jeongmin Park

**Date of Closing Argument** December 13, 2019

**Decision Date** February 7, 2020

**ORDER**

1. The IPTAB Decision 2018Won800 dated March 28, 2019 shall be revoked.
2. The litigation cost arising from this litigation shall be borne by the defendant.

**PLAINTIFF'S DEMAND**

As ordered.

## OPINION

### 1. Basic Facts

#### A. Plaintiff's Subject Invention at Issue (Plaintiff's Exhibits 1 and 19)

1) Title of Invention: Uses for and Article of Manufacture Including HER2 Dimerization Inhibitor Pertuzumab

2) International Application Date/ Date of Claimed Priority/ Translation Filing Date/ Application Number: October 11, 2012/ October 14, 2011/ April 11, 2014/ No. 10-2014-7009738

3) Claims (as amended on November 16, 2017)

**【Claim 1】** A drug combination for use as neoadjuvant therapy in patients with early-stage HER2-positive breast cancer (“**Element 2**”) comprising Pertuzumab, Trastuzumab, and carboplatin-based chemotherapy, wherein the carboplatin-based chemotherapy comprises Docetaxel and carboplatin (“**Element 1**”).

**【Claim 2】** The drug combinations of claim 1, wherein Pertuzumab is concurrently administered with carboplatin-based chemotherapy

**【Claims 3–72】** (Deleted)

4) Main Content and Drawing

#### **①** Technical Field

The subject invention relates to uses for and articles of manufacture including Pertuzumab, a first-in-class HER2 dimerization inhibitor.

In particular, the subject invention concerns extending progression free survival in a HER2-positive breast cancer patient population; combining two HER2 antibodies to treat HER2-positive cancer without increasing cardiac toxicity; treating early-stage HER2-positive breast cancer; and

treating HER2-positive cancer by co-administering a mixture of Pertuzumab and Trastuzumab from the same intravenous bag.

## ② Background Art

Members of the HER family of receptor tyrosine kinases are important mediators of cell growth, differentiation and survival. The receptor family includes four distinct members including epidermal growth factor receptor (EGFR, ErbB1, or HER1), HER2 (ErbB2 or p185neu), HER3 (ErbB3) and HER4 (ErbB4 or tyro2). Members of the receptor family have been implicated in various human malignancy.

Trastuzumab received marketing approval from the Food and Drug Administration on September 25, 1998 for treatment of patients with metastatic breast cancer whose tumors overexpress the HER2 protein. At present, Trastuzumab is approved for use as a single agent or in combination with chemotherapy or hormone therapy in the metastatic setting, and as single agent or in combination with chemotherapy as adjuvant treatment for patients with early-stage HER2-positive breast cancer. Trastuzumab-based therapy is now the recommended treatment for patients with HER2-positive early-stage breast cancer who do not have contraindications for its use. Trastuzumab plus Docetaxel is a registered standard of care in the first-line metastatic breast cancer (MBC) treatment setting.

Pertuzumab is the first in a new class of agents known as HER dimerization inhibitors (HDI) and functions to inhibit the ability of HER2 to form active heterodimers or homodimers (HDI) with other HER receptors (such as EGFR/HER1, HER2, HER3, and HER4).

## ③ Content of Invention

The subject invention concerns a method for extending progression free survival in a HER2-positive breast cancer patient population by 6 months or more comprising administering Pertuzumab, Trastuzumab, and chemotherapy (e.g. taxane) to the patients in the population.

The subject invention concerns a method of treating early-stage HER2-positive breast cancer comprising administering Pertuzumab, Trastuzumab, and chemotherapy to a patient with the breast cancer, wherein the chemotherapy comprises anthracycline-based chemotherapy (for example, 5-FU, epirubicin, and cyclophosphamide (FEC)), or carboplatin-based chemotherapy (for example, Docetaxel and Carboplatin). Such treatment of early-stage HER2-positive breast cancer optionally comprises neoadjuvant or adjuvant therapy.

“Early-stage breast cancer” herein refers to a breast cancer that has not spread beyond the breast or the axillary lymph nodes. Such cancer is generally treated with neoadjuvant or adjuvant therapy. “Neoadjuvant therapy” refers to a systemic therapy given prior to surgery, and “adjuvant therapy” refers to a systemic therapy given after surgery.

A “taxane” is a chemotherapy which inhibits mitosis and interferes with microtubules. Examples of taxanes include Paclitaxel (TAXOL<sup>®</sup>) and Docetaxel (TAXOTERE<sup>®</sup>).

For the purposes herein, “carboplatin-based chemotherapy” refers to a chemotherapy regimen that consists of or includes one or more Carboplatins. An example is TCH (Docetaxel/TAXOL<sup>®</sup>, Carboplatin, and Trastuzumab/Herceptin<sup>®</sup>).

“Cardiac toxicity” refers to any toxic side effect resulting from administration of a drug or drug combination and can be evaluated based on any one or more of: incidence of symptomatic left ventricular systolic dysfunction (LVSD) or congestive heart failure (CHF), or decrease in left ventricular ejection fraction (LVEF).

In an embodiment, the subject invention concerns a method of treating early-stage HER2-positive breast cancer comprising administering Pertuzumab, Trastuzumab, and chemotherapy to a patient with the breast cancer, wherein the chemotherapy comprises anthracycline-based chemotherapy, or carboplatin-based chemotherapy. In one embodiment, the chemotherapy comprises carboplatin-based chemotherapy, e.g. comprising taxane (e.g. Docetaxel) and Carboplatin in addition to Herceptin<sup>®</sup>/Trastuzumab (e.g. TCH regimen).

The data in the examples herein demonstrates that Pertuzumab administration does not increase cardiac toxicity relative to the treatment without Pertuzumab (i.e. relative to Trastuzumab with anthracycline-based chemotherapy (e.g. FEC) and no Pertuzumab; or relative to Trastuzumab with carboplatin-based chemotherapy and no Pertuzumab (i.e. TCH). The early-stage HER2-positive breast cancer therapy contemplated herein includes neoadjuvant and adjuvant therapy.

#### [4] Details to Exploit Invention

Arm C is administered with Taxane (Docetaxel), Carboplatin, and Trastuzumab (TCH) with Pertuzumab, with both antibodies being given from the start of the chemotherapy. Specifically, Carboplatin followed by Docetaxel on day 1 with Trastuzumab (8 mg/kg on day 1 of the first

treatment with Carboplatin and Docetaxel and 6 mg/kg every 3 weeks thereafter) and Pertuzumab (840 mg on day 1 with 420 mg every 3 weeks thereafter) is administered for six cycles. The dose for Docetaxel is 75 mg/m<sup>2</sup> for all cycles. All drugs will be administered by the IV route.

All patients will receive Trastuzumab every three weeks for a total of one year from the start of treatment (from Cycles 1-17 for patients in Arms A and C and Cycles 4-20 for patients in Arm B) whether they receive additional chemotherapy or not.

The primary objective of the study was evaluated when all patients had received six cycles of neoadjuvant treatment, had their surgery and all necessary samples taken or were withdrawn from the study whichever is earlier, and the secondary objectives thereof include: ① to make a preliminary assessment of the activity associated with each regimen as indicated by the complete pathological response rate; ② to evaluate the safety profiles of each treatment regimen, including pre-operative (neoadjuvant) and post-operative (adjuvant) treatment; ③ to investigate the overall survival, the time to clinical response, time-to-response, disease free survival and progression free survival for each treatment group; ④ to investigate the biomarkers that may be associated with primary and secondary efficacy endpoints in accordance with each treatment group; and ⑤ to investigate the rate of breast conservative surgery for all patients with T2-3 tumors for whom mastectomy was planned at diagnosis, an overall assessment of the risk and benefit of each regimen will be made.

The study was a Phase II open-label, randomized, multi-center trial to evaluate the tolerability and activity associated with Trastuzumab and Pertuzumab when used in addition to anthracycline-based or carboplatin-based chemotherapy regimens as neoadjuvant therapy in patients with HER2-positive breast cancer which was early-stage and 2 cm or more in diameter or locally advanced or inflammatory (See Figure 11).

Study population is female patients, aged 18 years or more, with early-stage HER2-positive breast cancer whose primary tumors are 2 cm or more with no metastases.

Safety data is provided in Figure 12 and Table 7, and efficacy data are provided in Figures 13 and 14 as well as Table 9.

Results indicate a low incidence of symptomatic and asymptomatic LVSD across all groups, and in particular, concurrent administration of

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Pertuzumab plus Trastuzumab with epirubicin resulted in similar cardiac tolerability compared with sequential administration or the anthracycline-free regimen. In addition, the most frequently reported adverse event across all groups were neutropenia, febrile neutropenia, leukopenia, and diarrhea. Regardless of chemotherapy chosen, the combination of Pertuzumab with Trastuzumab in the neoadjuvant setting resulted in high pathological complete response (pCR) rates (57 to 66%). TRYPHAENA<sup>1)</sup> supports the use of Pertuzumab and Trastuzumab plus anthracycline-based carboplatin-based chemotherapy in the neoadjuvant and adjuvant settings of early-stage breast cancer.

[Table 7] Cardiac Events Overall

	<b>FEC+H+P x3 → T+H+P x3 n=72</b>	<b>FEC x3 → T+H+P x3 n=75</b>	<b>TCH+P x6 n=76</b>
Symptomatic LVSD (grade ≥3), n (%)	-	2(2.7)	1(1.3)
LVSD (all grades), n (%)	5(6.9)	3(4.0)	5(6.6)
LVEF decline ≥10% points from baseline to <50%, n (%)	5(6.9)	5(6.7)	5(6.6)

FEC, 5-fluorouracil, epirubicin, cyclophosphamide; H, Trastuzumab; LVEF, left ventricular ejection fraction; LVSD, left ventricular systolic dysfunction; P, Pertuzumab; T, Docetaxel; TCH, Docetaxel/Carboplatin/Trastuzumab

[Table 8] Ten Most Common Adverse Events During Neoadjuvant Treatment Grade ≥3

<b>Adverse events, n (%)</b>	<b>FEC+H+P x3 → T+H+P x3 n=72</b>	<b>FEC x3 → T+H+P x3 n=75</b>	<b>TCH+P x6 n=76</b>
Neutropenia	34(47.2)	32(42.7)	35(46.1)
Febrile neutropenia	13(18.1)	7(9.3)	13(17.1)
Leukopenia	14(19.4)	9(12.0)	9(11.8)
Diarrhea	3(4.2)	4(5.3)	9(11.8)
Anemia	1(1.4)	2(2.7)	13(17.1)
Thrombocytopenia	-	-	9(11.8)
Vomiting	-	2(2.7)	4(5.3)

Fatigue	-	-	3(3.9)
Alanine Aminotransferase inc.	-	-	3(3.9)
Drug hypersensitivity	2(2.8)	-	2(2.6)

FEC, 5-fluorouracil, epirubicin, cyclophosphamide; H, Trastuzumab;  
P, Pertuzumab; T, Docetaxel; TCH, Docetaxel/Carboplatin/Trastuzumab

[Table 9] Clinical Response Rate During Neoadjuvant Treatment

	<b>FEC+H+P x3 → T+H+P x3 n=73</b>	<b>FEC x3 → T+H+P x3 n=75</b>	<b>TCH+P x6 n=77</b>
Objective response rate, n (%)	67(91.8)	71(94.7)	69(89.6)
Complete response rate	37(50.7)	21(28.0)	31(40.3)
Partial response rate	30(41.1)	50(66.7)	38(49.4)
Stable disease, n (%)	3(4.1)	1(1.3)	5(6.5)
Progressive disease, n (%)	-	1(1.3)	-
No assessment, n (%)	3(4.1)	2(2.7)	3(3.9)

FEC, 5-fluorouracil, epirubicin, cyclophosphamide; H, Trastuzumab;  
P, Pertuzumab; T, Docetaxel; TCH, Docetaxel/Carboplatin/Trastuzumab

## B. Prior Art (Plaintiff's Exhibit 11)

Prior Art, published online on November 16, 2009, on the protocol registration database of the U.S. Food and Drug Administration (FDA), is a Phase II clinical trial protocol disclosed under the title of “A Study of Pertuzumab in Combination With Herceptin<sup>2)</sup> and Chemotherapy in

- 1) “TRYPHAENA” is the title of the clinical trial described in the specification of the subject invention and is the clinical trial applying three combination therapies including the combination therapy of the subject invention.
- 2) “Herceptin” is a trade name of trastuzumab. Hereinafter, “Herceptin” and “trastuzumab” are used interchangeably as described in the exhibits.

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Patients With HER2-Positive Breast Cancer,” and the content is as below.

### **NCT00976989 on 2009\_11\_16**

Clinical Trials Identifier: NCT00976989 (updated on November 16, 2009)

#### **1 Descriptive Information**

**(1) Brief title:** A Study of Pertuzumab in Combination With Herceptin and Chemotherapy in Patients With HER2-Positive Breast Cancer

#### **(2) Brief summary**

This 3 arm study will assess the tolerability, safety and efficacy of 3 neoadjuvant treatment regimens in patients with locally advanced, inflammatory or early-stage HER2-positive breast cancer.

Before surgery, patients will be randomized to receive either A) 6 cycles of pertuzumab plus Herceptin, with FEC (5-fluorouracil/epirubicin/cyclophosphamide) for cycles 1-3 and docetaxel for cycles 4-6, or B) FEC for cycles 1-3 followed by pertuzumab plus Herceptin with docetaxel for cycles 4-6, or C) 6 cycles of pertuzumab plus Herceptin with docetaxel and carboplatin. Pertuzumab will be administered at a loading dose of 840 mg iv, then 420 mg iv 3-weekly, Herceptin at a loading dose of 8 mg/kg iv, then 6 mg/kg iv 3-weekly, docetaxel at 75 mg/m<sup>2</sup> iv, increased to 100 mg/m<sup>2</sup> iv 3-weekly, and FEC and carboplatin iv 3-weekly at standard doses.

Following surgery, patients will receive Herceptin 6 mg/kg iv 3-weekly for a total of 1 year, as well as adequate chemo-, radio- and hormone therapy. Anticipated time on study treatment is 4-12 months, and target sample size is 200-300.

#### **(3) Detailed description**

- Phase: Phase 2
- Study type: Interventional
- Study design: Treatment, Safety/ Efficacy Study
- Primary outcome
  - Measure: Tolerability during neoadjuvant treatment: symptomatic cardiac events, LVEF
  - Time Frame: throughout cycles 1-6, complete cardiac questionnaire every 3 weeks, LVEF cycles 2, 4 and 6
  - Safety Issue? No
- Secondary outcome

	Secondary outcome (1)	Secondary outcome (2)	Secondary outcome (3)
Measure	Pathological complete response rate	Safety: AEs, laboratory parameters, LVEF, ECG	Clinical response rate, time to response, disease-free survival, progression-free survival, overall survival
Time Frame	at surgery, after 6 cycles of treatment	throughout study, laboratory parameters assessed every 3 weeks, LVEF and ECG every 2-3 cycles	throughout study, examination of the tumor every 3 weeks/ breast examination
Safety Issue	No	No	No

- Enrollment: 225 (Anticipated)
- Condition: Breast Cancer
- Arm/Group: Arm Label: A, B, C Experimental
- Intervention

Treatment	Drug	Dosage & Cycle	Arm Label
1	pertuzumab	840 mg iv loading dose, followed by 420 mg iv 3-weekly, cycles 1-6	A
2	pertuzumab	840 mg iv loading dose, followed by 420 mg iv 3-weekly, cycles 4-6	B
3	trastuzumab [Herceptin]	8 mg/kg iv loading dose, followed by 6 mg/kg iv 3-weekly, cycles 1-6	A
4	trastuzumab [Herceptin]	8 mg/kg iv loading dose, followed by 6 mg/kg iv 3-weekly, cycles 4-6	B
5	docetaxel	75 mg/m <sup>2</sup> iv, escalated to 100 mg/m <sup>2</sup> iv 3-weekly, cycles 1-6	C
6	docetaxel	75 mg/m <sup>2</sup> iv, escalated to 100 mg/m <sup>2</sup> iv 3-weekly, cycles 4-6	A

## PATENT COURT DECISIONS

7	FEC: 5-Fluorouracil /epirubicin/ cyclophosphamide	500 mg/m <sup>2</sup> 5-Fluorouracil iv + 100 mg/m <sup>2</sup> epirubicin iv + 600 mg/m <sup>2</sup> cyclophosphamide iv 3-weekly, cycles 1-3	A
8	carboplatin	AUC6 (Calcert's Formula) 3-weekly, cycles 1-6	C
9	trastuzumab	post surgery, 6 mg/m <sup>2</sup> iv 3-weekly, cycles 7-20	A

### ② Recruitment Information

(1) **Status:** Recruiting

(2) **Last follow-up date:** 2017-04 (Anticipated)

(3) **Criteria**

◦ Inclusion Criteria:

- female patients, age  $\geq 18$  years
- advanced, inflammatory or early-stage unilateral invasive breast cancer
- baseline LVEF  $\geq 55\%$

◦ Exclusion Criteria:

- metastatic disease (Stage IV) or bilateral breast cancer
- previous anticancer therapy or radiotherapy for any malignancy
- other malignancy, except for carcinoma in situ of the cervix, or basal cell carcinoma
- clinically relevant cardiovascular disease
- current chronic treatment with corticosteroids of  $>10$  mg methylprednisolone or equivalent

(4) **Gender:** Female

(5) **Minimum age:** 18 Years

(6) **Healthy volunteers:** No

### ③ Administrative Data

(1) **Organization name:** Hoffmann-La Roche

(2) **Organization study ID:** BO22280

(3) **Secondary ID:** 2009-012019-17

(4) **Sponsor:** Hoffmann-La Roche

(5) **Health Authority:** United States: Food and Drug Administration

### C. Procedural History

1) On May 20, 2017, the patent examiner of the Korean Intellectual Property Office (hereinafter the “KIPO”) sent a Notice of Grounds for Rejection (Plaintiff’s Exhibit 6) to the plaintiff regarding the subject invention, stating that “Claims 1 to 3, i.e. the entire claims of the subject invention, either are substantially identical to the prior art that describes a method of administration of neoadjuvant therapy to patients with early-stage HER2-positive breast cancer that uses pertuzumab, trastuzumab, docetaxel and carboplatin together, or can easily be invented by a person having ordinary skill in the art (hereinafter a “skilled person”) based on the prior art and therefore lack novelty or an inventive step.”<sup>3)</sup>

2) The plaintiff, on November 16, 2017, submitted written argument and amendment (Plaintiff’s Exhibit 7) of the specification and others, deleting Claim 3 of the subject invention and adding it to Claim 1. However, on November 27, 2017, the KIPO examiner issued a decision to reject the application (Plaintiff’s Exhibit 8) stating that the grounds in the Notice of Grounds for Rejection were still not resolved in Claims 1 and 2, the entire claims of the subject invention. In response, the plaintiff filed an administrative appeal regarding the rejection with the Intellectual Property Trial and Appeal Board (hereinafter the “IPTAB”) on February 23, 2018.

3) The IPTAB reviewed the above appeal by the plaintiff under Case No. 2018Won800, and issued an administrative decision to dismiss the plaintiff’s appeal on March 28, 2019 (Plaintiff’s Exhibit 9),

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3) Meanwhile, the KIPO examiner sent the Notice for Grounds of Rejection twice regarding the subject invention prior to the Notice on May 20, 2017. The plaintiff made amendments such as deleting Claims 4 through 72 in response. However, the procedural history prior to the Notice on May 20, 2017 is irrelevant to the issues of this lawsuit and therefore not described herein in detail.

## **PATENT COURT DECISIONS**

concluding that “The prior art discloses the main technical characteristics of the subject invention that pertuzumab, trastuzumab, and carboplatin-based chemotherapy are used in combination and that it includes chemotherapeutic agent such as docetaxel and carboplatin. In addition, the drug use of the prior art is identical to that of Claim 1, for neoadjuvant therapy for patients with early-stage HER2-positive breast cancer, and its effect is no more than defining the inherent properties of the pharmaceutical composition. As a result, Claim 1 lacks novelty as it is substantially identical to the prior art, and because its novelty is denied, its inventive step is also denied. Furthermore, an application must be rejected in its entirety if any one of the claims in the application has a ground for rejection.”

## **2. Summary of Parties’ Arguments**

### **A. Plaintiff**

The subject invention does not lack novelty and an inventive step for the following reasons, and the IPTAB decision concluding otherwise is erroneous.

1) Plaintiff’s Exhibit 11, relied on by the administrative decision to deny novelty and an inventive step, does not state any more than that a clinical trial is to be conducted and precedes the first test regarding the subject invention, and thus no efficacy is verified. There is no reason to believe that such efficacy would have been known to a skilled person or would have formed common technical knowledge. Then, Plaintiff’s Exhibit 11 is not an invention made available to the public under Article 29(1)(ii) of the Patent Act, and therefore is not qualified as a prior art.

2) Even if Plaintiff’s Exhibit 11 is qualified as a prior art, when it comes to determination of novelty and an inventive step of the

subject invention in reliance thereon, it may be subject to comparison only in regards with the content that “a clinical trial is to be conducted,” and the scope of prior art should not be extended to include efficacy verified as a result of the clinical trial.

3) The prior art (Plaintiff’s Exhibit 11) is merely a protocol to conduct a clinical trial and does not disclose pharmacological data indicating the presence of pharmacological effect, and no special circumstance such as the mechanism showing such pharmacological effect is clearly discovered. Therefore, a skilled person would not recognize the use of the subject invention from the prior art, and the subject invention is not denied of novelty by the prior art.

4) Considering the level of technical skill in the art at the time of claimed priority of the subject invention, the combination of four anticancer drugs provided in the subject invention showing a very high pathological complete response (pCR) without increase in adverse cardiac events is an effect that is significant and unexpected from the prior art (Plaintiff’s Exhibit 11), and therefore the inventive step of the subject invention is not denied by the prior art.

## **B. Defendant**

Patent registration of the subject invention should be rejected for the following reasons, and the IPTAB decision concluding the same should be upheld.

1) Plaintiff’s Exhibit 11 is a Phase II clinical trial protocol on the subject invention. Given the ordinary meaning of Phase II trials, a skilled person would expect that the safe dosage range and the potential effectiveness were already verified, and expect that co-administration of the anticancer drugs would show a reasonable degree of efficacy. Therefore, Plaintiff’s Exhibit 11 is qualified as the prior art.

## **PATENT COURT DECISIONS**

2) The prior art describes the same active ingredient and target patients and therefore shares the same technical idea as that of Claim 1. As such, novelty of Claim 1 is denied by the prior art.

3) Prior to the claimed priority date of the subject invention, the pre-clinical and clinical trial results on various combinations of pertuzumab, trastuzumab, and other chemotherapeutic agents for early-stage HER2-positive breast cancer were known. In addition, the co-administration treatment in Claim 1 is inferior to a similar co-administration treatment in objective response rate, has a higher risk of adverse cardiac events, and has effects such as complete response rate not exceeding a degree predictable by a skilled person. Therefore, Claim 1 is denied of an inventive step by the prior art.

4) Then, since a patent application comprising of multiple claims must be rejected as a whole if any of the claims has grounds for rejection, the subject invention should be rejected in its entirety.

### **3. Whether Claim 1 Lacks Novelty and an Inventive Step**

#### **A. Whether Plaintiff's Exhibit 11 Qualifies as Prior Art**

Plaintiff's Exhibit 11 is a qualified prior art for comparison to determine whether Claim 1 lacks novelty or an inventive step for the following reasons.

1) According to Article 29(1) of the Patent Act that prescribes patentability requirements, an invention may be qualified as a prior art if it ① was publicly known or practiced in the Republic of Korea or in a foreign country prior to the filing of the patent application; or ② was published in a publication distributed in the Republic of Korea or in a foreign country or made available to the public via telecommunications lines prior to the filing of the patent application.

2) An invention used for comparison to determine novelty or an inventive step of a subject invention may qualify as a prior art not only when all the technical features are clearly expressed but also when a skilled person can easily recognize the technical content based on common technical knowledge or empirical rules even if the invention is incomplete, or insufficiently described due to insufficient data or has defects in the content (See e.g., Supreme Court Decision 2004Hu2307, decided March 24, 2006; Supreme Court Decision 2006Hu1957, decided November 27, 2008; Supreme Court Decision 2012Hu320, decided June 14, 2012; Supreme Court Decision 2012Hu146, decided February 14, 2013).

3) Meanwhile, Plaintiff's Exhibit 11, which was an invention made available to the public via telecommunications lines around November 16, 2009 preceding the date of claimed priority of the subject invention, is a Phase II clinical trial protocol titled "A Study of Pertuzumab in Combination with Herceptin and Chemotherapy in Patients with HER2-positive Breast Cancer" designed to assess tolerability, safety, and efficacy when 6 cycles of pertuzumab and Herceptin along with docetaxel and carboplatin are administered concurrently to patients with early-stage HER2-positive breast cancer. As such, the specific content disclosed in Plaintiff's Exhibit 11 is merely about the size of the clinical trial to be conducted and the dosage regimen, and the exhibit does not describe the result of the administration.

According to the standard on drug use inventions that mandates specific description of pharmacological effect, an invention is complete and meets the written description requirement only when pharmacological effect of the particular substance is described by test results showing pharmacological data or its equivalent alternatives, in the absence of special circumstances such as when the mechanism showing the pharmacological effect described in the specification was clearly known prior to the filing (See Supreme Court Decision

## PATENT COURT DECISIONS

2001Hu65, decided November 30, 2001). In this regard, Plaintiff's Exhibit 11, as a drug use invention that is neoadjuvant therapy on patients with early-stage HER2-positive breast cancer, may be an incomplete invention because it lacks specific description verifying pharmacological effect.

4) However, as discussed above, even an incomplete invention may qualify as a prior art as long as a skilled person can easily recognize the technical content based on common technical knowledge or empirical rules. Thus, Plaintiff's Exhibit 11 is also qualified as a prior art to be compared with Claim 1 to determine whether it lacks novelty or an inventive step, to the extent a skilled person would recognize from the disclosure. Discussed below is the extent to which a skilled person would recognize based on what is disclosed in Plaintiff's Exhibit 11.

5) Generally, Phase I clinical trial is mainly aimed at assessing safety. It is performed to determine pharmacokinetics, pharmacological action in the human body, side effects, and safe dosage range (tolerated dose) of a candidate drug by administering the drug to a relatively limited number (usually 20 to 80) of healthy people based on the pre-clinical animal study data regarding toxicity, absorption, metabolism, excretion, and pharmacological actions. As for drugs having cytotoxicity such as anticancer drugs, however, Phase I clinical trial is carried out on patients to explore the maximum tolerated dose and efficacy. Phase II trial is a clinical trial performed to prove efficacy and safety of a new drug aimed at verifying pharmacological effect and determining appropriate dose and usage (See Defendant's Exhibit 1, page 133 and Table 1).

6) Based on the below statement in the U.S. FDA's Guidance for Industry on marketing approval of new cancer treatment uses for small molecules and biological products (Plaintiff's Exhibit 33), if a drug already verified as safe and effective is administered in combination

with another drug also verified as safe and effective relating to the same type of cancer, Phase II clinical trial results may be sufficient for the approval of the new combination treatment.

- ▶ The types and quantity of data needed to support product effectiveness and safety claims in a supplemental marketing application depend on what already is known about the product. In many cases, the results of prior clinical studies of a product can be used to support the findings of subsequent clinical studies (Plaintiff's Exhibit 33, page 6, lines 2 to 6).
- ▶ If a product already has been shown to be safe and effective as part of a combination treatment regimen for a given type of cancer, then a single, adequate and well-controlled study providing evidence of safety and effectiveness when the product is administered as part of a different combination or as monotherapy in the same clinical setting may be sufficient to support the addition of a new combination regimen or a new monotherapy dosing regimen to product labeling. Similarly, if a product already has been shown to be safe and effective when administered alone in the treatment of a given type of cancer, then a single, adequate and well-controlled study providing evidence of safety and effectiveness of the product when administered together with other products that have established safety and effectiveness in treatment of that condition may be sufficient to support the addition of the new combination dosing regimen to product labeling (Plaintiff's Exhibit 33, pages 8-9, item 6).

7) Meanwhile, trastuzumab is a recombinant humanized monoclonal antibody that strongly binds to HER2, a cell membrane surface protein, to block the HER2 gene signal, and has been used to treat breast cancer, especially HER2-positive breast cancer, since the FDA approval in 1998. Docetaxel is a chemotherapeutic agent used to treat breast cancer, etc. by restricting cancer cell division by interfering with the functioning of microtubules and was FDA-approved in around 1995. Carboplatin is a chemotherapeutic agent used to treat ovarian cancer based on its mechanism of blocking DNA replication of cancer cells and obtained FDA approval in around 1986. As such, trastuzumab, docetaxel, and carboplatin have all been used as

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anticancer drugs for a substantially long time prior to the claimed priority date of the subject invention.

8) As discussed, it is essentially Phase II trial that verifies the safety and efficacy of a drug out of the series of clinical trial processes, and marketing approval for combination treatment of individual anticancer drugs with verified safety and efficacy may be obtained based on Phase II clinical trials alone as sufficient safety and efficacy data without pre-clinical or Phase I trial data. Then, considering that such a fact is widely known in the relevant field, a skilled person who looks at Plaintiff's Exhibit 11, a protocol to conduct Phase II clinical trial on co-administration treatment for patients with early-stage HER2-positive breast cancer by 6 cycles of pertuzumab and Herceptin together with docetaxel and carboplatin as neoadjuvant therapy, would recognize that the effect of combining the four anticancer drugs whose safety and efficacy are individually verified and administering them in neoadjuvant therapy will be verified through Phase II trial, and also recognize that the trial is to be conducted in the future.

Therefore, Plaintiff's Exhibit 11 is qualified as a prior art to the technical extent described above.

### **B. Technical Level of a Skilled Person**

The technical level of a skilled person under this case is based on a person who has a master's degree in pharmacy- or medicine-related fields and has about three years of experience in the field of anticancer drug.<sup>4)</sup>

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4) This is not in dispute between the parties (See first Record for Trial 1 dated December 13, 2019).

## C. Discussion on Novelty of Claim 1

### 1) Composition Comparison Between Prior Art and Claim 1

Element	Claim 1	Prior Art (Plaintiff's Exhibit 11)
1	comprising Pertuzumab, Trastuzumab, and carboplatin-based chemotherapy, wherein the carboplatin-based chemotherapy comprises Docetaxel and carboplatin	<p>Before surgery, patients will be randomized to receive 6 cycles of pertuzumab plus Herceptin with docetaxel and carboplatin.</p> <p>► pertuzumab will be administered at 840 mg iv, then 420 mg iv 3-weekly,</p> <p>► Herceptin at 8 mg/kg iv, then 6 mg/kg iv 3-weekly, docetaxel at 75 mg/m<sup>2</sup> iv, increased to 100 mg/m<sup>2</sup> iv 3-weekly,</p> <p>► FEC<sup>5)</sup> and carboplatin iv at standard doses.</p> <p>(See brief summary, lines 3 to 11)</p>
2	a drug combination for use as neoadjuvant therapy in patients with early-stage HER2-positive breast cancer	<p>This study will assess the tolerability, safety and efficacy of neoadjuvant treatment regimens in patients with early-stage HER2-positive breast cancer.</p> <p>(See brief summary, lines 1 to 3)</p>

### 2) Analysis of Commonalities and Differences

#### A) Element 1

Element 1 of Claim 1 defines the active ingredient of the pharmaceutical drug combination, providing a combination of 4 drugs, pertuzumab, trastuzumab, docetaxel, and carboplatin. When compared, the prior art also discloses administration of the same 4 drugs, namely

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5) "FEC" refers to a type of chemotherapy comprising 5-Fluorouracil, Epirubicin, and Cyclophosphamide.

## PATENT COURT DECISIONS

pertuzumab, trastuzumab, docetaxel, and carboplatin. Therefore, the corresponding elements of the two inventions are substantially the same.

### B) Element 2

Element 2 of Claim 1 defines the specific drug use of the pharmaceutical combination in that the pharmaceutical combination is to be used for “neoadjuvant treatment of early-stage HER2-positive breast cancer.” That is, the pharmaceutical combination of Claim 1 is used for systemic therapy provided before surgery on HER2-positive breast cancer not spread beyond breasts or axillary lymph nodes (See Plaintiff’s Exhibit 1, paragraphs [0101], [0102]).

Meanwhile, the prior art states that the purpose of the research is to assess the tolerability, safety, and efficacy of neoadjuvant therapy on patients with early-stage HER2-positive breast cancer (See Plaintiff’s Exhibit 11, Brief Summary, lines 1 to 3). That is, the prior art merely states that the safety, efficacy, and others of neoadjuvant therapy using the 4 drugs of pertuzumab, herceptin, docetaxel, and carboplatin will be assessed. Statement to this extent relating to use is nothing more than an indication that the effects of the use will be verified in the future and is therefore not a specific disclosure to the degree a skilled person would objectively verify the pharmacological effect relevant to the use.

As such, Element 2 of Claim 1 and the corresponding element of the prior art are not substantially the same.

### 3) Summary

Therefore, the prior art is different from Claim 1 in that the prior art does not specifically disclose the drug use, that is Element 2 of Claim 1, to the degree that its pharmacological effect can be objectively verified, and thus novelty of Claim 1 is not denied by the prior art.

## D. Discussion on an Inventive Step of Claim 1

Claim 1 does not lack an inventive step compared to the prior art since a skilled person cannot easily overcome the difference between the prior art and Claim 1 for the following reasons.

1) As described above, the prior art is a Phase II clinical trial protocol designed to confirm the efficacy of neoadjuvant therapy on patients with early-stage HER2-positive breast cancer comprising four anticancer drugs disclosed in Claim 1. Whether a skilled person can predict the pharmacological efficacy according to Claim 1 based on the description of the prior art will be discussed.

2) First of all, since the prior art is just a protocol to conduct clinical trials with the combination of four anticancer drugs disclosed in Claim 1, even the qualitative content is not disclosed on what pharmacological efficacy was confirmed. In addition, prior to conducting clinical trials such as the prior art with respect to the subject invention, no experiment such as *in-vitro* or animal experiments was conducted. Furthermore, no prior art has been presented during the examination and administrative appeal process of the subject invention except for the clinical trial protocol such as the prior art as the ground for denying an inventive step of Claim 1.

3) Meanwhile, drugs undergo a complex physiological reaction that may be accompanied by chemical changes in the human body. When two different drugs are taken together, an interaction between the two drugs causes the effect of the drugs to be greater than the sum of the individual effects of each drug in some cases, but weaker in other cases. Therefore, it is difficult to assume that a skilled person can easily predict that the co-administration of the four anticancer drugs described in Claim 1 will have a synergistic pharmacological effect compared to being administered separately from the circumstances that each of the four anticancer agents is effective as

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anticancer drug is publicly known prior to the date of claimed priority. This is still the case even if it is well known in the relevant field to try to co-administer anticancer drugs that have different mechanisms in order to overcome drug resistance or to develop synergistic effects.

4) Therefore, even though the prior art discloses that a clinical trial is to be conducted with the combination of four anticancer drugs, this fact alone does not indicate that a skilled person can predict specifically what pharmacological effect will be created by Claim 1.

5) Furthermore, the specific pharmacological effect of Claim 1 that can be understood from the specification of the subject invention is markedly superior in pCR as described below compared to that of other combinations. It is reasonable to conclude that such outstanding effect cannot be predicted by a skilled person from the description of the prior art.

A) First of all, in the specification of the subject invention, the clinical response rate during neoadjuvant treatment in relation to the pharmacological effect of Claim 1 is shown in Table 9, and the incidence rate of cardiac toxicity in relation to side effects is shown in Table 7 below. Meanwhile, in the Tables described above, the results of administering trastuzumab (H) and pertuzumab (P) in combination with various chemotherapy in addition to the combination of the anticancer drugs as shown in Claim 1, and the combinations of anticancer drugs are as follows: ① trastuzumab and pertuzumab in combination with a chemotherapy comprising 5-fluorouracil, epifubicin and cyclophosphamide, followed by docetaxel (T), trastuzumab and pertuzumab; ② a chemotherapy comprising 5-fluorouracil, epirubicin and cyclophosphamide, followed by chemotherapy (docetaxel), trastuzumab and pertuzumab; and ③ chemotherapy comprising docetaxel and carboplatin in combination with trastuzumab and pertuzumab as in Claim 1.

[Table 7] Cardiac Events Overall

	FEC+H+P x3 → T+H+P x3 n=72	FEC x3 → T+H+P x3 n=75	TCH+P x6 n=76
Symptomatic LVSD (grade ≥3), n (%)	-	2(2.7)	1(1.3)
LVSD (all grades), n (%)	5(6.9)	3(4.0)	5(6.6)
LVEF decline ≥10% points from baseline to <50%, n (%)	5(6.9)	5(6.7)	5(6.6)

FEC, 5-fluorouracil, epirubicin, cyclophosphamide; H, Trastuzumab; LVEF, left ventricular ejection fraction; LVSD, left ventricular systolic dysfunction; P, Pertuzumab; T, Docetaxel; TCH, Docetaxel/Carboplatin/Trastuzumab

[Table 9] Clinical Response Rate During Neoadjuvant Treatment

	FEC+H+P x3 → T+H+P x3 n=73	FEC x3 → T+H+P x3 n=75	TCH+P x6 n=77
Objective response rate, n (%)	67(91.8)	71(94.7)	69(89.6)
Complete response rate	37(50.7)	21(28.0)	31(40.3)
Partial response rate	30(41.1)	50(66.7)	38(49.4)
Stable disease, n (%)	3(4.1)	1(1.3)	5(6.5)
Progressive disease, n (%)	-	1(1.3)	-
No assessment, n (%)	3(4.1)	2(2.7)	3(3.9)

FEC, 5-fluorouracil, epirubicin, cyclophosphamide; H, Trastuzumab; P, Pertuzumab; T, Docetaxel; TCH, Docetaxel/Carboplatin/Trastuzumab

The clinical response rates shown in Table 9 were measured by dividing the complete response rate<sup>6)</sup> and the partial response rate.<sup>7)</sup> The complete response rate was the highest with 50.7% in

6) “Complete Response Rate” refers to the disappearance rate of all signs of cancer in response to treatment. This does not always mean the cancer has been cured.

7) “Partial Response Rate” refers to a decrease in the size of tumors or lesions by 30% or more in response to treatment.

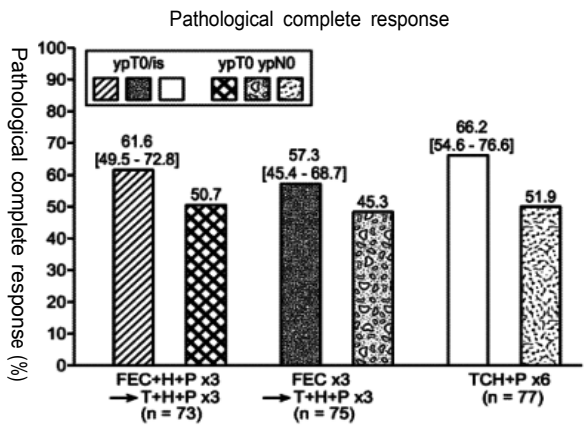
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combination therapy ①, followed by combination therapy ③ of Claim 1 with 40.3%, and combination therapy ② with 28%. An objective response rate that combines complete response rate and partial response rate was the highest in combination therapy ② with 94.7%, followed by combination therapy ① with 91.8% and combination therapy ③ of Claim 1 with 89.6%. That is, combination therapies ①-③ were similar in objective response with almost around 90%. Specifically, however, the complete response rate is similar to or greater than the partial response rate in the combination therapies ① and ③ while the partial response rate is much higher than the complete response rate in the combination therapy ②. As a result, the combination therapies ① and ③, which show a much higher complete response rate, may have better pharmacological effects than the combination therapy ②.

B) Meanwhile, the combination therapies ①-③ may be assessed to show similar results in the incidence of adverse cardiac events such as left ventricular systolic dysfunction (LVSD) listed in Table 7.

C) In addition, in the specification of the subject invention, the result of measuring pCR in the breast is shown in Figure 13 below. pCR is the highest with 66.2% in the combination therapy ③ of Claim 1, followed by ① with 61.6% and ② with 57.3%. Then, considering the description of Plaintiff's Exhibit 13, these results are measured after combination treatments ①-③ were given as neoadjuvant therapy and then trastuzumab adjuvant treatment was given for one year following surgery (See Plaintiff's Exhibit, page 17, lines 24 to 30, 40, 41). pCR is an important indicator of the effectiveness of treatment of HER2-positive breast cancer as it is closely related to the 9-year survival rate of patients (See Plaintiff's Exhibit 25, page 4, Figure 2).

[Figure 13]



D) In addition, Table 3 of Plaintiff’s Exhibit 13 shows the clinical response rate where ① patients in the early stage of HER2-positive breast cancer were treated with pertuzumab in combination with trastuzumab plus docetaxel (data in the second column of NEOSPHERE) and ② the patients were given neoadjuvant regimens comprising four anticancer drugs as in Claim 1 (data in the third column of TRYPHAENA), and the results of ② are the same as those shown in Figure 13 of the specification of the subject invention. When comparing the result of ①, which showed the highest pCR among NEOSPHERE clinical trials, with the result of ②, both cases were similar in the clinical response rate with 88.1% and 89.6%, respectively. However, when it comes to pCR, ① showed 45.8% while ② showed 66.2%. That is, in the case of ②, pCR was significantly increased by 20.4 (= 66.2% – 45.8%), and this increase was about 44.5% [= {(66.2 – 45.8) ÷ 45.8} × 100] or more based on the response rate of 45.8% in ①. However, even though both clinical trials ① and ② were not conducted simultaneously, a significant increase in pCR in ② may not be in the extent to which a skilled person can predict that simply adding carboplatin would lead to such result.

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[Table 3]

	NEOSPHERE (WO20697)				TRYPHAENA (BO22280)		
Parameter	Trastuzu mab+Do cetaxel N=107	Perjeta+ Trastuzu mab+Do cetaxel N=107	Perjeta+ Trastuzu mab N=107	Perjeta+ Docetaxel N=96	Perjeta+ Trastuzu mab→ Perjeta+ Trastuzu mab+Do cetaxel N=73	FEC→Pe rjeta+Tra stuzumab +Docetax el N=75	Perjeta+ TCH N=77
pCR rate in the breast (ypT0/is) n (%) [95% CI]	31(29.0%) [20.6; 38.5]	49(45.8%) 36.1; 55.7]	18(16.8%) [10.3; 25.3]	23(24.0%) [15.8; 33.7]	45(61.6%) [49.5; 72.8]	43(57.3%) 45.4; 68.7]	51(66.2%) [54.6; 76.6]
Difference in pCR rates [95% CI]		+16.8% [3.5; 30.1]	-12.2% [-23.8; -0.5]	21.8% [-35.1; -8.5]	NA	NA	NA
p-value (with Simes corr. for CMH test)		0.0141 (vs. Trastuzu mab+Doc etaxel)	0.0198 (vs. Trastuzu mab+Doc etaxel)	0.0030 (vs. Perjeta+ Trastuzu mab+Doc etaxel)	NA	NA	NA
pCR rate in the breast and lymph node (ypT0/is N0) n (%) [95% CI]	23(21.5%) [14.1; 30.5]	42(39.3%) [30.3; 49.2]	12(11.2%) [5.9; 18.8]	17(17.7%) [10.7; 26.8]	41(56.2%) [44.1; 67.8]	41(54.7%) [42.7; 66.2]	49(63.6%) [51.9; 74.3]
ypT0 N0 n (%) [95% CI]	13(12.1%) [6.6; 19.9]	35(32.7%) [24.0; 42.5]	6(5.6%) [2.1; 11.8]	13(13.2%) [7.4; 22.0]	37(50.7%) [38.7; 62.6]	34(45.3%) [33.8; 57.3]	40(51.9%) [40.3; 63.5]
Clinical Response	79(79.8%)	89(88.1%)	69(67.6%)	65(71.4%)	67(91.8%)	71(94.7%)	69(89.6%)

E) When the above findings are reviewed comprehensively, pCR of combination therapy ③ of Claim 1 is a significant effect that a skilled person would not have predicted from the response rate of other combinations of drugs.

6) As a result, a skilled person would not have predicted superior pharmacological efficacy of Claim 1 based on the description of the prior art that plans to conduct a clinical trial on patients with early-stage HER2-positive breast cancer using a combination of anticancer drugs as in Claim 1.

### **E. Summary of Analysis**

According to the above findings, it is not considered that Claim 1 is substantially the same as the prior art, and thus it does not lack novelty. In addition, a skilled person would not have easily overcome the difference between Claim 1 and the prior art, and therefore Claim 1 does not lack an inventive step either.

## **4. Conclusion**

Therefore, the IPTAB decision concluding that Claim 1 lacks novelty and an inventive step by the prior art and therefore the subject invention should be rejected is erroneous, and the plaintiff's claim to revoke the decision is well grounded.

Presiding Judge	Kyuhong LEE
Judge	Sungyop WOO
Judge	Jinhee LEE

**PATENT COURT OF KOREA  
SECOND DIVISION  
DECISION**

<b>Case No.</b>	2019Heo8149 Rejection (Patent)
<b>Plaintiff</b>	A United States of America Counsels for Plaintiff Patent Attorney in charge Jaecheon KIM
<b>Defendant</b>	Commissioner of Korea Intellectual Property Office Counsel for Defendant Jongho KIM
<b>Date of Closing Argument</b>	April 7, 2020
<b>Decision Date</b>	May 7, 2020

**ORDER**

1. The plaintiff's petition is dismissed.
2. The cost arising from this litigation shall be borne by the plaintiff.

**PLAINTIFF'S DEMAND**

The IPTAB Decision 2017Won5644 dated September 20, 2019 shall be revoked.

## OPINION

### 1. Background

#### A. Claimed Invention at Issue (Hereinafter, the “Subject Invention”)

- 1) Title of invention: Methods and compositions for treatment of retinal degeneration
- 2) International filing date/ translation filing date/ date of claimed priority/ application No.: March 13, 2013/ March 31, 2015/ October 9, 2012/ 10-2015-7008284
- 3) Claims (as amended on July 1, 2016)

【Claims 1 through 6】 Deleted

【Claim 7】 A method for treating retinal degeneration in a subject in need thereof, the method comprising administering cells to the subject; wherein said cells are descendants of marrow adherent stem cells (MASCs) that have been engineered to express an exogenous Notch intracellular domain (NICD) (“Claim 7”; The other claims shall also be referred to as in the same way.)

【Claims 8 through 24】 Omitted

#### 4) Summary of Invention

##### **[1]** Background

【0006】 Retinal degeneration, resulting, for example, from choroidal neovascularization (“wet AMD<sup>1)</sup>”) or from buildup of cellular debris between the retina and the choroid (“dry AMD”), is one of the major causes of blindness in the world today. Accordingly, treatments that block

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1) Age-related macular degeneration (AMD)

and/or reverse retinal degeneration, in particular treatments that restore photoreceptor function, are needed.

**[2] Purpose**

**[0007]** Disclosed herein are methods and compositions for treating retinal degeneration, using cells descended from marrow adherent stem cells (MASCs) that have been engineered to express an exogenous Notch intracellular domain.. Such cells are denoted SB623 cells for the purposes of the present disclosure.

**[0008]** In one aspect, disclosed herein are methods of treating retinal degeneration by administering SB623 cells to the eye of a subject in need thereof.

**[3] Detailed Description and Effect of Invention**

**[0016]** Disclosed herein are methods and compositions for the treatment of retinal degeneration and retinal degenerative conditions. In particular, transfection of SB623 cells (cells obtained by transfecting mesenchymal stem cells with sequences encoding a Notch intracellular domain) into the eyes of subjects undergoing retinal degeneration (or suffering from a retinal degenerative condition) prevents retinal degeneration and results in long-term rescue of retinal function.

**[0019]** ...There are two forms of AMD. The more common form, dry AMD, is caused by the buildup of cellular debris (drusen) between the retina and the choroid (the layer of the eye beneath the retina), leading to atrophy of photoreceptor cells. The other form, wet AMD, results from abnormal growth of blood vessels in the choroid. These vessels may leak, resulting in damage to the choroid and the retina. Other terms for AMD include choroidal neovascularization, subretinal neovascularization, exudative form and disciform degeneration.

**[0023]** The present disclosure provides methods for treating retinal degeneration by transplanting SB623 cells into the eye of a subject in need thereof, namely a subject in which retinal degeneration is occurring. SB623 cells are obtained from marrow adherent stromal cells (MASCs), also known as mesenchymal stem cells (MSCs), by expressing the intracellular domain of the Notch protein in the MASCs. MASCs are obtained by selecting adherent cells from bone marrow.

**[0026]** Preparation of SB623 cells thus involves transient expression

of an exogenous Notch intracellular domain in a MSC. To this end, MSCs can be transfected with a vector comprising sequences encoding a Notch intracellular domain wherein said sequences do not encode a full-length Notch protein. All such sequences are well known and readily available to those of skill in the art.

**【Example 3】**

**【0061】 Subretinal transplantation**

**【0062】** SB623 cells were prepared as described in Example 1 and suspended in PBS to a density of  $3 \times 10^4$  cells/ul. Immunosuppression of RCS rats, systemic and topical anesthesia, and dilation of pupils were all conducted as described in Example 2. Transplantation of SB623 cells occurred at four weeks after birth, by injection of 5 ul of SB623 cell suspension intravitreally into the subretinal space using a Hamilton syringe with a 30-gauge needle. Control cohorts were injected with vehicle (PBS) or were uninjected (naive). The experimental design is shown in Table 2. In this experiment, analysis was continued for a longer period after treatment: electroretinography and azide response measurements were continued for 24 weeks, and histology and immunohistochemistry were conducted on specimens obtained 27 weeks after treatment.

**【0063】 【Table 2】**

Group	Treatment	Cell number (per eye)	Number of animals
1	Naive	-	4
2	Vehicle (PBS)	-	10
3	SB623	$1.5 \times 10^5$	10

**【0064】** Electroretinography and determination of azide responses were conducted as described in Example 2. Representative results are shown in FIG. 6. In most vehicle-treated rats, an ERG could not be recorded at 4 weeks after treatment (FIG. 6, left panels). However, in SB623-treated animals, both ERGs and azide responses were retained at 24 weeks after treatment (Figure 6, right panels).

**【0065】** FIG. 7 shows a time-course of changes in ERG amplitudes at four-week intervals up to 24 weeks post-transplantation. By 8 weeks after transplantation, neither an a-wave nor a b-wave could be detected in eyes

from naive and vehicle-treated rats; but in rats that had received a subretinal injection of SB623 cells, both a— and b- waves were retained up to 24 weeks post-treatment.

【0066】 FIG. 8 shows a time-course of changes in the azide response at four-week intervals up to 24 weeks post-transplantation. The response is reduced in naive and vehicle-injected animals at all time points. In rats that had received a subretinal injection of SB623 cells, a statistically significant increase in azide response, compared to naive and vehicle-injected rats was observed at all points up to 24 weeks post-treatment.

【0067】 The results of these electrophysiological examinations indicate that transplantation of SB623 cells preserves retinal function for long-term periods.

【0068】 To determine whether visual signals were transmitted from the retina to the visual cortex of the brain, visually evoked potentials (VEPs) were measured, in treated and untreated RCS rats, at 26 weeks after treatment. ... Representative results are shown in FIG. 9. In naive and vehicle-injected animals, VEPs could not be detected. In contrast, the VEP response was well-preserved, at 26 weeks after treatment, in rats that had been subretinally injected with SB623 cells. These results indicate that treatment with SB623 cells restores the ability to send visual signals to the visual cortex.

【0070】 These results demonstrate the long-term persistence of SB623 cells after subretinal injection, and show that the transplanted SB623 cells were able to prevent death of photoreceptor cells.

## **B. Prior Arts**

### **1) Prior Art 1 (Plaintiff's Exhibit 10)**

Prior Art 1 refers to an article titled, “Human Mesenchymal Stromal Cells and Their Derivative, SB623 Cells, Rescue Neural Cells via Trophic Support Following In Vitro Ischemia” published on Cell Transplant, 2010;19(8), stating that human mesenchymal stromal cells and their derivatives, SB623 cells, rescue neural cells following an in vitro ischemia by reducing neural cell damage/death.

Specifically, the paper states that SB623 cells are obtained from adult bone marrow-derived mesenchymal stromal cells (MSCs) and that “*We have developed a novel human MSC-derived cell known as SB623 by transiently transfecting MSCs with an expression vector encoding human Notch1 intracellular domain (NICD)*” (Left column, pp. 973).

2) Prior Art 2 (Plaintiff’s Exhibit 11)

A) Prior Art 2 relates to an article titled, “Regulation of Ocular Angiogenesis by Notch Signaling: Implications in Neovascular Age-Related Macular Degeneration,” published on Investigative Ophthalmology & Visual Science in May 2011. Here, the authors examined the role of Notch signaling in choroidal neovascularization (CNV) in the backdrop of Notch signaling-mediated regulation of retinal angiogenesis and stated that wet age-related macular degeneration (AMD), which accounts for most AMD-related vision loss, is characterized by CNV.

Specifically, it is described in Prior Art 2 that when the Notch signaling pathway is activated by administration of Jagged 1 peptide (Jag 1), the expression of the vascular epidermal growth factor receptor (VEGFR), an angiogenesis inhibitory gene, is regulated, and accordingly, the volume of CNV is reduced, so that the Notch signaling is a key regulator of CNV and thus a target for therapeutic intervention in wet AMD (see Abstract).

**C. Technical Terms**

The technical terms and abbreviations frequently used in the Subject Invention and Prior Arts 1 and 2 are as follows:

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SB623 cells	Cells derived from bone marrow adherent stem cells (MASCs) engineered to express an exogenous Notch intracellular domain
AMD	Age-related macular degeneration
CNV	Choroidal neovascularization
VEGF	Vascular epidermal growth factor
NICD	Notch Intracellular domain

### D. IPTAB Decision

1) On May 2, 2016, the Intellectual Property Trial and Appeal Board (hereinafter, the “IPTAB”) issued a notice of grounds for rejection to the plaintiff, stating that “claims 1 through 6 of the Subject Invention are a process invention for treating retinal degeneration in a subject, that is, a medical practice and thus have no industrial applicability, and are easily invented by a person having ordinary skilled in the art (hereinafter, a “skilled person”) with Prior Arts 1 and 2 before the filing of the application, thereby not being patentable under Article 29(2) of the Patent Act.”

2) In response, the plaintiff submitted amendments by deleting claims 1 through 6 of the Subject Invention and adding claims 7 through 24 of the Subject Invention on July 1, 2016, but on November 29, 2016, the KIPO examiner issued a final notice of grounds for rejection, stating that “claims 7 through 24 of the Subject Invention deem to be easily invented by a skilled person before the filing of the application, thereby lacking an inventive step.” On May 25, 2017, the plaintiff submitted opinions without amending its prior amendments, but the examiner determined to reject the patent application on the same grounds on September 26, 2017.

3) On November 23, 2017, the plaintiff filed a petition to appeal with the IPTAB as 2017Won5644, but on September 20, 2019, the IPTAB dismissed the plaintiff’s appeal on the grounds that “claims 7

through 24 of the Subject Invention would be easily invented by a skilled person with Prior Arts 1 and 2, thereby lacking an inventive step.”

[Factual Basis] Undisputed facts, statements in Plaintiff's Exhibits 1 through 11, and the purport of the overall argument

## **2. Summary of Plaintiff's Arguments**

**A.** Prior Art 1 discloses that cytokines or nutrients that activate angiogenesis such as vascular epidermal growth factor (VEGF) are secreted in SB623 cells, and Prior Art 2 discloses that VEGF is excessively accumulated in retinal cells in which AMD has occurred. Since the above cells of Prior Art 1 may have a rather negative effect in treating above AMD, and thus a skilled person cannot easily combine Prior Arts 1 and 2.

**B.** Prior Art 2 discloses that the Notch signaling pathway is activated by a Notch signal activating ligand such as Jagged peptide 1, through which angiogenesis factors such as VEGFR1 and VEGFR2 are regulated, treating AMD, which is a symptom of CNV. Thus, the mechanism of action is different from the Subject Invention that uses SB623 cells transfected with the NICD genes. Therefore, a skilled person cannot easily derive the Subject Invention from Prior Arts 1 and 2.

**C.** Thus, claim 7 of the Subject Invention may not deem to lack an inventive step from the combination of Prior Arts 1 and 2 and thus the IPTAB Decision concluding otherwise is erroneous.

### 3. Inventive Step of Claim 7

#### A. Element-by-Element Comparison

Element	Claim 7	Prior Art 1
1	comprising cells derived from bone marrow adherent stem cells (MASCs) engineered to express an exogenous Notch intracellular domain as a medicinal active ingredient	SB623 cells, a novel human MSCs-derived cell prepared by transiently transfecting an expression vector encoding a human Notch intracellular domain (the Introduction part of Plaintiff's Exhibit No. 10)
2	method for treating retinal degeneration	no description for treating retinal alteration.

#### B. Analysis of Commonalities and Differences

##### 1) Element 1

Element 1 of claim 7 of the Subject Invention is described as “cells descendants of marrow adherent stem cells (MASCs) that have been engineered to express an exogenous Notch intracellular domain (NICD)” as an active ingredient. Correspondingly, Prior Art 1 describes “SB623 cells, a novel human MSCs-derived cell prepared by transiently transfecting an expression vector encoding human a human Notch intracellular domain (NICD).”

In summing up the descriptions of the specification of the Subject Invention, including “SB623 cells are obtained from MASCs, also known as mesenchymal stem cells (MSCs), and are obtained by expressing the intracellular domain of Notch protein in MASCs. MASCs are obtained by selecting adherent cells from bone marrow (paragraph [0023]),” and “SB623 cells are prepared by introducing, into MSCs, a nucleic acid comprising sequences encoding an NICD such that the MSCs do not express exogenous Notch extracellular domain (NECD). Such can be accomplished, for example, by

transfecting MSCs with a vector comprising sequences encoding an NICD wherein said sequences do not encode a full-length Notch protein (paragraph [0028]),” SB623 cells described in Element 1 and those in Prior Art are transfected with a vector comprising sequences encoding an NICD and can be referred to as identical to each other.

Therefore, the composition of Prior Art corresponding to Element 1 is identical, which is not in dispute between the parties.

## 2) Element 2

A) Element 2 of claim 7 of the Subject Invention describes the medical use that “treats retinal degeneration,” while Prior Art 1 differs in that it only states “the efficacy of cell therapy for brain injury” as medical use (hereinafter, the “Difference”).

B) On the other hand, Prior Art 2 discloses the therapeutic use of activated Notch pathway for treating “retinal degeneration” by stating, “age-related macular degeneration (AMD) is characterized by choroidal neovascularization (CNV), and activation of the canonical Notch pathway reduced the volume of CNV lesions while inhibition of the Notch pathway exacerbated CNV lesions, and Notch signaling is a key regulator of CNV and thus a molecular target for therapeutic intervention in wet AMD.”

**[Purpose]** Wet age-related macular degeneration (AMD), which accounts for most AMD-related vision loss, is characterized by choroidal neovascularization (CNV). (omitted). Recent evidence suggests that the VEGF pathway regulates angiogenesis in concert with Notch signaling. Here, the authors examined the role of Notch signaling in CNV in the backdrop of Notch signaling-mediated regulation of retinal angiogenesis.

**[Method]** Choroid sclera complexes, after laser-induced CNV, were examined for changes in CNV lesion volume and in proangiogenic and antiangiogenic gene expression after perturbation in Notch signaling. Retinal vessels and angiogenic gene expression in retinal endothelial cells were analyzed in postnatal rats after perturbations in Notch

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signaling. Notch signaling was activated and inhibited by intravitreal or systemic injection of Jagged1 peptide and gamma secretase inhibitor DAPT, respectively.

**[Results]** The authors demonstrated that activation of the canonical Notch pathway reduced the volume of CNV lesions as it attenuated the development of postnatal retinal vasculature. In contrast, inhibition of the Notch pathway exacerbated CNV lesions as it led to the development of hyperdense retinal vasculature. The authors also identified genes associated with proangiogenesis (Vegfr2, Ccr3, and Pdgfb) and antiangiogenesis (Vegfr1 and Unc5b) as targets of Notch signaling-mediated vascular homeostasis, the disruption of which might underlie CNV.

**[Conclusions]** This study suggests that Notch signaling is a key regulator of CNV and thus a molecular target for therapeutic intervention in wet AMD (Abstract).

C) Then, SB623 of Prior Art 1 is a cell transfected with a gene of the NICD, and Prior Art 2 discloses the therapeutic effect of wet AMD as a key regulator of CNV, and thus it is deemed that a skilled person would easily combine Prior Art 2 that uses Notch pathway with Prior Art 1.

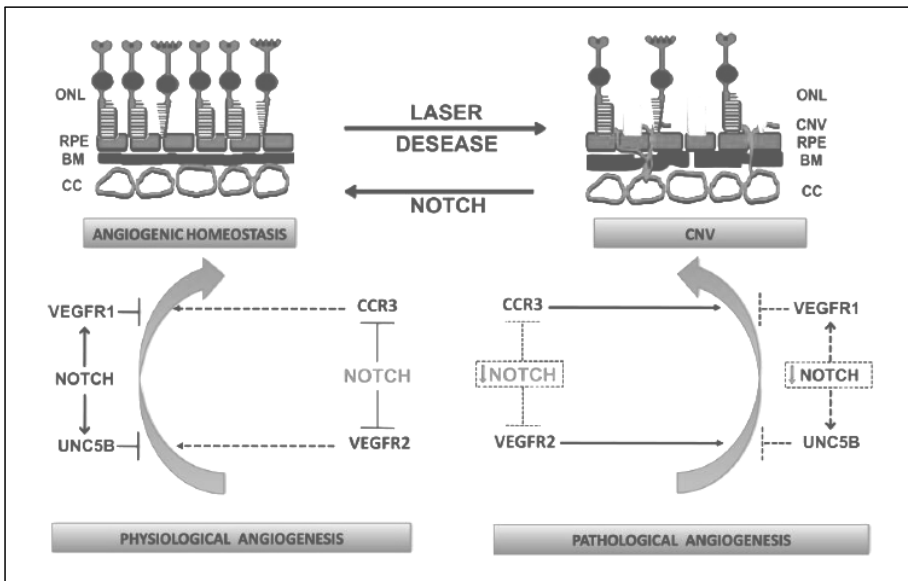
### C. Analysis of Plaintiff's Arguments

1) The plaintiff argues that Prior Art 1 has a negative disclosure that SB623 secretes angiogenesis factors such as VEGF, so a skilled person who encountered this would rather promote angiogenesis due to the transplantation of SB623 cells of Prior Art 1, worsening wet AMD caused by CNV characterized by excessive angiogenesis, and thus a skilled person who encounters Prior Art 1 could not easily combine Prior Art 2.

Prior Art 1 discloses that “11 kinds of cytokines including VEGF are secreted by SB623 cells, among which VEGF promotes

angiogenesis” (right column in pp. 980 and Table 2 in pp. 982 of Plaintiff’s Exhibit 10),but in light of the following circumstances, the plaintiff’s argument is difficult to accept, as the above descriptions in Prior Art 1 cannot be deemed as an obstacle to the combination with Prior Art 2.

① Prior Art 1 is an article published on March 26, 2010, while Prior Art 2 is an article published circa May 2011. In the follow-up paper, Prior Art 2, the VEGF pathway related to angiogenesis, as shown in the figure below (FIG. 9), regulates angiogenesis in cooperation with Notch signals (pp. 2877 of Plaintiff’s Exhibit 11).



In the above figure, when the Notch signaling pathway is inactive, the effect of blocking VEGFR2, an angiogenesis-promoting gene, decreases, and the effect of activating VEGFR1, an angiogenesis inhibitory gene, is also reduced, and consequently pathological angiogenesis such as CNV is promoted (right figure). On the other hand, when the Notch signaling pathway is normal, VEGFR2 is blocked and VEGFR1 is activated, showing that the homeostasis of angiogenesis can be maintained (left figure). Prior Art 2 discloses an

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experimental result showing that when the Notch signaling pathway is activated by administering Jag1, the expression of VEGFR2, an angiogenesis promotion-related gene, decreases, and VEGFR1, an angiogenesis inhibition-related gene, increases its expression, resulting in a significant decrease in the volume of CNV, which is the cause of AMD.

In summary, VEGFR, is a vascular epidermal growth factor, and its secretion alone cannot promote the formation of blood vessels, and as previously described, the angiogenesis signaling pathway must be activated by binding with VEGFR2, an angiogenesis promoting factor, to promote the formation thereof.

② However, in Prior Art 1, only the increase in expression of VEGF is disclosed, and the expression of VEGFR2 is not described at all, and in Prior Art 2, a follow-up study on the correlation between Notch signal and VEGFR 1 and 2, when the Notch signaling pathway is activated, the expression of VEGFR2, which promotes angiogenesis, decreases, and the expression of VEGFR1, which inhibits angiogenesis, increases. Therefore, it is difficult to deem that a skilled person would predict that angiogenesis is promoted only from the description that SB623 cells of Prior Art 1 increase the expression of VEGF.

③ Rather, a skilled person would refer to Prior Art 2, a follow-up study on Notch signaling, and a skilled person who encounters this would immediately understand that “angiogenesis is promoted from the binding with VEGFR2, an angiogenesis promoter, when angiogenesis signaling pathway is activated” by reflecting the content of Prior Art 1 that “VEGF promotes angiogenesis” to the results of further research in Prior Art 2.

④ Therefore, it is difficult to consider that the above description of Prior Art 1 becomes an obstacle to the combination with Prior Art 2.

2) In addition, the plaintiff argues that SB623 cells in Prior Art 1 do not produce NICD independently, and Jag 1, the Notch ligands, are not injected for promoting Notch signaling like Prior Art 2, so that



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change of the entire Notch protein occurs, which causes the NICD to separate. The isolated NICD moves inside the nucleus, and NICD activates the transcription of DNA in the nucleus, inducing the synthesis of proteins such as Hes/Hey. In other words, it can be deemed that the key to activation of the Notch signaling pathway is that NICD is separated from the Notch protein and migrated to the intracellular nucleus.

② However, Prior Art 1 explicitly describes that SB623 cells express NICD (lines 6–11, pp. 981, on the left column, Plaintiff's Exhibit 10), and NICD of Prior Art 2 is secreted out of the cell and moves to the inner nucleus of the cell rather than acting as a ligand, activating the Notch signaling pathway, and thus commonalities are found in that the Notch signaling pathway is activated by the isolated NICD.

③ When it comes to SB623 cells of Prior Art 1, as previously seen, irrespective of the presence or absence of a ligand such as Jag 1, the NICD generated through the expression of SB623 cells themselves can move inside the nucleus, thereby causing activation of the Notch signaling pathway. Therefore, a skilled person would be able to predict the therapeutic use of AMD disclosed in Prior Art 2 easily by transplanting SB623 cells disclosed in Prior Art 1 to activate the Notch signaling pathway through the expression of NICD.

3) The plaintiff also argues that the same invention as the Subject Invention has been patented in the United States (No. 9326999B2, Plaintiff's Exhibit 12), Australia (No. 2013330433B2, Plaintiff's Exhibit 13), Singapore (No. 11201502753Y, Plaintiff's Exhibit 14), Canada (No. 2885414C, Plaintiff's Exhibit 15), Japan (No. 6297648B2, Plaintiff's Exhibit 16), and Europe (No. 2906293B1, Plaintiff's Exhibit 17), and therefore the Subject Invention must be registered.

Patent requirements are independently judged in accordance with the Korean Patent Act and are not subject to patent registration cases in other countries that differ in legal systems and circumstances (see Supreme Court Decision, 2002Hu2488, dated October 28, 2004) so the

patent registration cases in other countries cannot be regarded as a factor in determining an inventive step.

In addition, the claims of the above overseas patents are different from the Subject Invention in terms of the descriptions and categories<sup>2)</sup>, and in the above overseas patents, Prior Art 2, which indicates the “therapeutic use of AMD” by the activation of Notch signaling, is not suggested at all.<sup>3)</sup> In particular, the above patents registered in the United States and Australia are related to treatment methods, and inventions concerning medical practices will be excluded from the patentable subjects under the Patent Act of Korea (see Supreme Court Decision, 90Hu250, dated March 12, 1991), and the plaintiff, on the receipt of a notice of grounds for rejection due to no industrial applicability in response to the initial specification filed for medical practice in claims 1 through 6 of the Subject Invention, made amendments by deleting the concerning part as well. In addition, the plaintiff had previously filed a divisional application in Korea with a limited scope of claims<sup>4)</sup> than the Subject Invention and registration

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- 2) Patents registered in the U.S. and Australia are described as a treatment method, and in Singapore and Canada patents are described as a use rather than a substance, and the patent registered in Japan limits the claims to the function or action of “preventing the loss of cells in the retinal outer layer of the subject.”
  - 3) Plaintiff argued that Prior Art 2 was submitted as a reference material in the registration of the patent in the U.S., but the registered patent (Plaintiff’s Exhibit 21) is not related to “retinal degeneration treatment,” but to “electrical activity of photoreceptor cells,” of which claims are different from those of the Subject Invention. The plaintiff on the first trial date admitted to the fact that Prior Art 2 was not presented during the registration process of the US patent (Plaintiff’s Exhibit 12), which was presented as an example of foreign patent registration.
  - 4) The claims of the patent (No. 10-1906756) are further limited to “enhancing the transmission of visual signals from the patient’s retina to the visual cortex,” “the effect of increasing the electrical activity of the patient’s photoreceptor cells,” or “preventing the loss of the patient’s retinal outer layer cells.”

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was granted (see Record for Trial I). Therefore, the plaintiff's argument thereon cannot be accepted.

### **D. Summary of Discussion**

In summary, claim 7 of the Subject Invention can easily be invented by a skilled person based on the combination of Prior Arts 1 and 2, thereby lacking an inventive step.

A patent application comprising two or more claims must be rejected in its entirety when any one of the claims has a ground for rejection (Supreme Court Decision, 2007Hu3820, dated December 10, 2009). Thus, as long as claim 7 of the Subject Invention lacks an inventive step, thereby not being patentable, a patent shall not be granted without further examining the remaining claims.

### **4. Conclusion**

The plaintiff's petition to revoke the IPTAB decision is without merit and therefore dismissed.

Presiding Judge	Kyungran KIM
Judge	Hyejin LEE
Judge	Sungjin GU

**PATENT COURT OF KOREA**  
**FOURTH DIVISION**  
**DECISION**

<b>Case No.</b>	2020Heo1274 Invalidation (Patent)
<b>Plaintiff</b>	A CEO B Counsel for Plaintiff Attorneys Gyoungtae KANG, Youseok WON Patent Attorneys Soonbok LEE, Jiwon PARK, Hoseob YEO, Gwidong LEE
<b>Defendant</b>	C CEO D Counsel for Defendant Patent Attorneys Yongwoo LEE, Eunseun CHOI
<b>Date of Closing Argument</b>	September 9, 2020
<b>Decision Date</b>	October 16, 2020

**ORDER**

1. The Plaintiff's claim is dismissed.
2. The cost arising from this litigation shall be borne by the Plaintiff.

## PLAINTIFF'S DEMAND

The IPTAB Decision 2018Dang1774, dated November 15, 2019, shall be revoked.

## OPINION

### 1. Background Facts

#### A. Plaintiff's Patented Invention at Issue (Plaintiff's Exhibit 2)

1) Title of Invention: Methods of Administering Tetrahydrobiopterin, Associated Compositions, and Methods of Measuring

2) Patentee: The Plaintiff

3) International Filing Date/ Date of Claimed Priority/ Translation Filing Date/ Registration Date/ Registration No.: April 11, 2008/ April 11, 2007/ May 26, 2016/ March 23, 2017/ No.: 1721198

4) Claims (as amended, following the petition for correction dated October 17, 2018. The full claims, including Claim 1, are provided in Appendix 1 hereof.)

**【Claim 1】** A pharmaceutical composition for the treatment of hyperphenylalaninemia (HPA), comprising tetrahydrobiopterin (BH4) or a pharmaceutically acceptable salt thereof, which is for oral administration within 0 to 30 minutes after food ingestion (hereinafter "**Claim 1**"; The remaining claims shall be referred to in the same way.)

5) Main Content of Invention

As per Appendix 2.

## **B. Prior Arts**

### **1) Prior Art 1**

A) Prior Art 1, posted on the Open-Laid Gazette on January 10, 2007 (Plaintiff's Exhibit 5), is titled "Methods and compositions for the treatment of metabolic disorders," whose Claim 1 is as follows.

**【Claim 1】** A method of treating classic severe phenylketonuria (PKU) patients, comprising administering to a patient a protein-limited diet, in combination with a composition comprising tetrahydrobiopterin (BH4), a precursor, or a derivative thereof; and consisting of the combination treatment of BH4 and protein-limited feeding being effective in lowering the phenylalanine (Phe) concentration in the plasma of the patient compared with when the above combination is not administered.

B) As shown in the above claim, Prior Art 1 is an invention of a method for treating patients with PKU (phenylketonuria), specifically classic severe PKU patients. It is comprised of a step of administering a protein-limited diet to a patient, in combination with a composition comprising BH4 (tetrahydrobiopterin), a precursor, or a derivative thereof. The combination treatment of BH4 and protein-limited feeding is effective in lowering the phenylalanine concentration in the plasma of the patient compared to non-combination administration.

### **2) Prior Art 2**

A) Prior Art 2 is published in an article titled "Guideline on food-effect bioavailability and fed bioequivalence studies" by the National Institute of Toxicological Research in July 2005 (Plaintiff's Exhibit 15).

B) The article above discloses guidelines on bioavailability (BA) test method and result interpretation as well as applications in

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consideration of food effect on BA of drug products. The article discloses that “For sustained-release drugs and immediate-release drug products that belong to BCS<sup>1)</sup> Classes II, III, and IV, impacts from food are most likely to result from a more complex combination of factors that influence the in vivo dissolution of the drug product and the absorption of the main ingredient. In these cases, how food affects BA of the formulation in which way is difficult to expect without actually conducting a food effect study” (pp. 6-7).

### C. IPTAB Decision

1) The Defendant filed an action to invalidate the registration of the patented invention against the Plaintiff on June 12, 2018 (2018Dang1774), claiming that (1) the patented invention is not novel when compared with Prior Art 1; (2) it is without the inventive step because a person with ordinary skill in the art (hereinafter “a person with ordinary skill”) could have come up with the Invention easily by combining Prior Arts 1 and 2; and (3) it lacks sufficient description. The Plaintiff filed for correction of the patented invention’s scope of claims on October 17, 2018 (hereinafter “**the Petition for Correction**”), during the invalidation trial procedure.

2) On November 15, 2019, the IPTAB rendered a decision (hereinafter “the IPTAB Decision”) stating that ① while the petition for correction is accepted, ② the patent is invalidated as the Defendant’s request is accepted on the grounds that the patented invention is not novel because it is substantially identical to Prior Art 1.

[Factual Basis] Undisputed facts; statements in Plaintiff’s Exhibits 1 through 3, 5, and 15; purport of the overall argument

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1) Biopharmaceutics Classification System.

## 2. Whether IPTAB Erred

### A. Summary of Parties' Arguments

#### 1) Plaintiff's arguments (Grounds for revocation of the IPTAB Decision)

A) The purpose and effect of the “protein-limited diet” of Prior Art 1, a therapy used together with BH4 administration to treat HPA, differs from the “food intake” of the patented invention that is necessary to increase the BA of BH4.

B) BH4 is a BCS Class III drug. As drugs belonging to this Class are generally known to have low BA when taken after food intake, a person with ordinary skill cannot easily anticipate the administration methods of the patented invention, in which BH4 is taken with food intake.

C) The BA of BH4 increases by 30% when the patented invention's administration method is followed, a remarkable effect that a person with ordinary skill cannot expect.

D) Therefore, the patented invention's novelty shall not be denied by Prior Art 1, and its inventive step shall not be denied by Prior Arts 1 and 2. The IPTAB Decision inconsistent with the above is thus erroneous and shall be revoked.

		<u>Solubility</u>	
		High	Low
<u>Permeability</u>	High	I ↔ AUC	II ↑ AUC
	Low	III ↓ AUC	IV ? AUC

Fig. 1 of Plaintiff's Exhibit 24

#### 2) Defendant's Arguments (Grounds for invalidation)

A) The patented invention shall be invalidated for the following reasons. ① The patented invention's novelty is denied by Prior Art 1. ② Its inventive step is denied by Prior Art 1 or the combination of

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Prior Arts 1 and 2. ③ It lacks sufficient description, as the description “within 0 to 30 minutes after food ingestion” in its claim is not supported by further specifications.

B) Therefore, the IPTAB Decision that invalidates the patent in full agreement with the Defendant’s request for administrative trial is well-grounded.

### **B. Whether the Inventive Step of the Invention in Claim 1 Is Denied**

#### 1) Analysis of the technical content in Claim 1

A) The Invention in Claim 1 is “a pharmaceutical composition for the treatment of HPA, comprising BH4 or a pharmaceutically acceptable salt thereof, which is for oral administration within 0 to 30 minutes after food ingestion.”

B) In other words, the Invention in Claim 1 is an invention related to a pharmaceutical composition comprising a specific substance (active ingredient) called “BH4 or its pharmaceutically acceptable salt” and its medicinal use, namely “for HPA treatment.” According to the statement in its claim, the following points can be noted. (There is no dispute between the parties on this point.<sup>2)</sup>)

(1) The statement “to increase the absorption of BH4 or its pharmaceutically acceptable salt,” included in the claim,<sup>3)</sup> is an element of the invention that limits the pharmacological mechanism to a specific medicinal use, that is, “to treat HPA.” As such, the pharmacological mechanism itself is not an element that limits the claim.

(2) The description “for oral administration within 0 to 30

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2) See the record of the first trial.

3) These statements were added through the Petition for Correction dated October 17, 2018.

minutes after food ingestion,” included in the claim, is an administration method known as “administration in the fed state,” which specifies the medicinal use of the above active ingredient.

2) Comparison with Prior Art 1

A) The description “a pharmaceutical composition, comprising BH4 or a pharmaceutically acceptable salt thereof” of the Invention in Claim 1 is examined. Prior Art 1 discloses “a pharmaceutical composition comprising BH4, a precursor, or a derivative thereof.” Both inventions are substantially the same, as they are about a composition containing BH4 as an active ingredient.

B) Corresponding to the medicinal use, “treating HPA,” of Claim 1, Prior Art 1 is for “treating classic, severe PKU.”

HPA is a disease with clinical characteristics in which the phenylalanine (Phe) concentration in the plasma rises beyond the normal range, whereas the “classic, severe PKU” refers to a patient with HPA whose Phe concentration in the plasma exceeds 1200  $\mu\text{M/L}$ . Therefore, the medicinal use, “treating HPA,” in Claim 1 can easily be derived from Prior Art 1 by a person with ordinary skill, particularly since the medicinal use, “treating HPA,” was a technology widely known to persons with ordinary skills at the time of the filing.<sup>4)</sup>

C) As described above, Claim 1 discloses a specific administration method, “oral administration within 0 to 30 minutes after food ingestion” (hereinafter “the Administration Method at Issue”). On the other hand, Prior Art 1 does not limit its administration method to “within 0 to 30 minutes after food ingestion,” as it states the “oral administration of BH4 together with a protein-limited diet” (hereinafter “the Combination Therapy”). In this respect, the two inventions’ elements are different (hereinafter “the

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4) There is no dispute between the parties on this point. (See the record of the first trial.)

**Difference at Issue”).**

- 3) Whether the Difference at Issue results in a difference in effects that will affirm the inventive step of the invention in Claim 1

A) The process of pharmaceutical development ordinarily involves efforts to find the appropriate administration and dosage to tackle technical problem, such as enhancing efficacy and ensuring efficiency in administering medication. Thus, for the inventive step of an invention of medicinal use with a specific administration and dosage to be recognized, a remarkable or qualitatively different effect should be acknowledged, in which a person with ordinary skill to which the subject matter pertains could not have anticipated in light of either the level of the state of the art or the publicly known art at the time of patent application (Supreme Court Decision, 2014Hu2702, decided August 29, 2017).

B) The Administration Method at Issue in Claim 1 does not seem to have a significant effect in treating HPA (PKU) compared to Prior Art 1 for the following reasons.

(1) Prior Art 1 discloses some examples of the effectiveness of the treatment through the Combination Therapy in reducing the Phe concentration in the plasma of classic, severe PKU patients (pp. 41-42, Plaintiff’s Exhibit 5).<sup>5)</sup> In contrast, the specification of the patented invention only describes the blood concentration of BH4 and the related BA increases. In particular, no content or experimental data on how much to reduce or control the plasma Phe concentration of HPA patients is present. Therefore, it is difficult to know how effective the administration method for HPA (PKU) treatment in Claim 1 is, compared with Prior Art 1, only from the statements in the patented invention’s specification.

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5) The clinical trial under the example also targets mild PKU patients.

(2) Concerning the administration timing, Prior Art 1 describes that “...this process may include simultaneous administration of BH4 composition and the therapeutic composition of the feeding protein. In an alternative, the BH4 treatment may precede or follow the protein feeding treatment at intervals from minutes to hours ... It is most preferably provided to tolerate a delay of about 1 hour to administer BH4 within about 2–6 hours (before or after) of protein intake” (Plaintiff’s Exhibit 5, p. 25, para. 1-2). Accordingly, the above statement can be understood that a delay of about one hour between protein intake and BH4 administration is most preferred. Prior Art 1 discloses the administration timing as “simultaneously or up to one hour,” concerning the Combination Therapy, which includes the time provided in the Administration Method at Issue. The critical significance from limiting the administration timing is not confirmed in the patented invention because it does not provide any example or quantitative test data that demonstrate the significant effects of “0 to 30 minutes” compared with other administration timing. Therefore, the administration timing of the Administration Method at Issue is not deemed to have remarkable effects that cannot be expected by a person with ordinary skill.

(3) The specification of the patented invention also includes the following statements: (a) “...to maximize oral BA of BH4 at each administration, BH4 should be taken with food, e.g., a high-fat food or a high-fat or high-calorie meal” ([0039]), and (b) “The term ‘high-fat meal’ generally refers to a meal of at least about 700kcal and at least about 45% fat (relative percentage of kcal of fat) or at least about 900kcal and at least about 50% fat. The term ‘high-fat food’ generally refers to a food comprising at least 20g of fat, at least 25, 30, 35, 40, 45, or 50 g of fat, or at least about 45% or 50% fat” ([0041]). In contrast, although it states the “protein-limited diet,” Prior Art 1 discloses in the specification that “BH4 may also be prescribed as food such as brownies, pancakes or cakes” (Plaintiff’s Exhibit 5, p.

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25, para. 1), limiting the total protein amount and presence or absence of Phe but not specifically limiting fat content. Then it is difficult to conclude that the “food ingestion” in the Administration Method at Issue and the “protein-limited diet” in the Combination Therapy have a significant difference in the food’s composition and content. Rather, in terms of the clinical symptoms of PKU in which the plasma Phe concentration is abnormally elevated, it is reasonable to assume that the Combination Therapy that further includes an element of “protein-limited diet” is not inferior in terms of the pharmacological effect than the Administration Method at Issue that does not include the above element.

(4) Further to the above point, the Plaintiff argues that the bioequivalence test (hereinafter the “BE test”) determines the drug’s BE to be within the range of BA 80%–125%, and BH4’s BA is increased by 30% through the Administration Method at Issue compared with the fasting state. The Administration Method at Issue thus has a significant effect that exceeds the BE test range. However, the Plaintiff’s argument above is meritless for the following reasons.

(A) The increase in BA is the inherent property of BH4 that occurs upon the Administration Method at Issue, and it is a pharmacological mechanism, a mere determining cause to derive a combination of BH4 and the Administration Method at Issue (medicinal use). The Invention in Claim 1 does not limit the type of PKU patients to be treated; thus, classic, severe PKU patients are also targets of the treatment. Accordingly, in determining whether the Administration Method at Issue has more effects in treating HPA (PKU) than the Combination Therapy, there should be specific contents or experimental data demonstrating that the Administration Method at Issue can reduce or control the plasma Phe concentration of HPA patients. However, in the specification of the patented invention, only the statements on the blood concentration of BH4 and the corresponding increase in BA are provided, as previously mentioned.

(B) Although the BE test determines the drug's BE in the range of BA 80%–125%, it is used to prove equivalence in efficacy, effect, and stability to obtain a license to manufacture and market drugs, and is not a test that directly compares and verifies the therapeutic effect of drugs. Thus the therapeutic effect of the drug cannot be concluded as remarkable only because the result is above the aforementioned BA range. Even if the Administration Method at Issue increases BH4's BA to 130%, as argued by the Plaintiff based on the patented invention's specification, "Administration of BH4 as an intact tablet following a high-fat and high-calorie meal resulted in an approximate 30% increase in the extent of absorption compared to administration without food ([0449])," it is unreasonable to say that the effect of HPA (PKU) treatment is remarkably increased only under such circumstances.

(C) Furthermore, according to the statement in Plaintiff's Exhibit 4 and the purport of the overall argument, it is important to control the Phe concentration at an appropriate level that is neither high nor low when treating HPA (PKU) patients because patients may suffer neurological damage if the blood concentration of Phe is high or a developmental disability if the blood concentration of Phe is low. However, there is no data to conclude that the blood concentration of Phe can be controlled more easily by increasing BA using the Administration Method at Issue. Therefore, the mere increase in BA does not mean that the Administration Method at Issue has a remarkable effect than that of the Combination Therapy.

C) Furthermore, for the following reasons, the Administration Method at Issue of the Invention in Claim 1 cannot be said to have a qualitatively different effect than Prior Art 1.

(1) It is true that the specification of the patented invention states that "There were no serious adverse effects (SAEs) in this study. A total of nine side effects (AEs) were reported to five subjects. Eight of these nine AEs were evaluated as mild, and one was rated moderate

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in severity ([0445]).”

However, finding the appropriate administration that fully maintains the pharmacological effect and advances the efficiency of administration of a known drug without causing toxicity or adverse effects is a basic technical problem to be solved in this field. Furthermore, optimizing the administration and dosage to tackle such a general problem is demonstration of ordinary creativity for a skilled person. Therefore, the above statement alone is insufficient to prove that the Administration Method at Issue has a qualitatively different effect of reducing adverse effects, such as reducing specific effects that were unresolved in the prior arts, compared to other administration methods including the Combination Therapy.

(2) The Plaintiff argues that BH4 is a BCS Class III drug and Class III drugs are generally known to have low BA when taken after food intake, and therefore a skilled person would not have easily expected that the Administration Method at issue, in which BH4 is taken with food intake. However, the above argument is denied for the following reasons.

(A) Although BH4 belongs to BCS Class III drugs with low BA, 39% of BCS Class III drugs are unaffected by food or positively affected by food (Defendant’s Exhibit 1, 4<sup>th</sup> page (p. 1119), Table 1). Likewise, Prior Art 2 (Plaintiff’s Exhibit 15) also states that “For sustained-release drugs and immediate-release drug products that belong to BCS Classes II, III, and IV, impacts from food are most likely to result from a more complex combination of factors that influence the in vivo dissolution of the drug product and the absorption of the main ingredient. In these cases, how food affects BA of the formulation in which way is difficult to expect without actually conducting a food effect study” (pp. 6-7).

(B) Accordingly, it cannot be concluded that BH4 is a drug that makes the fed-state administration difficult only by the fact that BH4 belongs to BCS Class III. The Plaintiff’s argument against

this is similar to contending that limiting the administration method to “oral administration in a fed-state” is a qualitatively different effect that cannot be expected by a skilled person for all BCS Class III drugs.

(C) Furthermore, the specification of Prior Art 1 does not disclose that the protein-limited diet in the Combination Therapy may adversely affect BH4’s BA, while disclosing that the protein-limited diet can increase BH4’s therapeutic effect. Then, a skilled person would not understand the specification of Prior Art 1 as meaning the intake after a meal would lower BH4’s BA or that food intake would adversely affect BH4’s BA.

(3) The Plaintiff argues that a skilled person would not have easily expected the Administration Method at Issue given the description of the clinical test method in Plaintiff’s Exhibits 8 and 10 through 13 that BH4 was administered after fasting or at least 3 hours of fasting in the morning to enhance BH4’s absorption in the gastrointestinal tract, which indicates that BH4 is administered in the fasting state in general.

However, the methods in the above evidence are only the experiments to confirm BA and BH4’s pharmacological effects according to the BH4 dosage and cannot be seen as evidence to compare BH4’s interaction with food. Moreover, taking the drug with an empty stomach to measure the drug’s BA is an experimental method widely known to a skilled person. Such a person would not understand, merely from the circumstances that the widely known test method was adopted in the above evidence, that it is a common characteristic of BH4 that its absorption is interfered with food intake. Therefore, the Plaintiff’s argument above is also denied.

#### 4) Summary of analysis

In summary, Claim 1 is an invention on “a pharmaceutical composition for the treatment of HPA, comprising BH4 or a pharmaceutically

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acceptable salt thereof,” with a difference in the medicinal use when compared with Prior Art 1 by applying the “oral administration within 0 to 30 minutes after food ingestion.” Since the Administration Method at Issue is without remarkable or qualitatively different effects that a person with ordinary skill cannot expect, the inventive step of Claim 1, which is a use invention claiming the Administration Method at Issue, is denied because a person with ordinary skill can easily come up with the invention by referring to Prior Art 1.

### **C. Whether the Remaining Claims’ Inventive Step is Denied**

#### 1) Claim 2

Claim 2 is a dependent claim that refers back to Claim 1, by which the pharmaceutical composition is limited to oral administration “with food.” Prior Art 1 also states in the specification that “the feed protein (supplement or normal protein meal) is taken at about the same time as the pharmaceutical prescription (tablet, injection, or drinking) of BH4” (Plaintiff’s Exhibit 25, p. 25, para. 1). The limitational element concerning the administration method in Claim 2, as reviewed with Claim 1, cannot be deemed to have remarkable or qualitatively different effects that cannot be expected by a person with ordinary skill. Accordingly, the inventive step of Claim 2 is also denied by Prior Art 1 just as Claim 1.

#### 2) Claim 3

Claim 3 is a dependent claim that refers back to Claim 1 or 2 in the alternative, by which the food type is limited “to include a high-fat or high-calorie meal.” As seen above, Prior Art 1 states in the specification that “BH4 may also be prescribed as food such as brownies, pancakes or cakes.” (Plaintiff’s Exhibit 5, p. 25, para. 1). Brownies, pancakes, and cakes are usually high-fat or high-calorie

food. Accordingly, as with Claims 1 and 2, Claim 3 cannot be deemed to have remarkable or qualitatively different effects that cannot be expected by a person with ordinary skill. Thus, its inventive step is denied by Prior Art 1.

### 3) Claims 4 through 7

Claims 4 through 7 are dependent claims that refer back to Claim 1 or 2, directly or indirectly, by which the dosage of BH4 or a pharmaceutically acceptable salt thereof is limited to “1mg/kg to 20mg/kg,” “5mg/kg,” “10mg/kg to 20mg/kg,” or “10mg/kg,” etc. As Prior Art 1 states in its specification that **“the dosage of BH4 should preferably be 1mg/kg to 30mg/kg”** (Plaintiff’s Exhibit 5, p. 14, para. 1), the critical significance of limiting the amount of dose as in Claims 4 through 7 cannot be found in the specification of the patented invention. Accordingly, as with Claims 1 and 2, Claims 4 through 7 cannot be deemed to have remarkable or qualitatively different effects that cannot be expected, and their inventive step is denied by Prior Art 1.

### 4) Claims 8 through 13

Claims 8 through 13 are dependent claims that refer back to Claim 1 or 2, directly or indirectly, by which the dosage form of pharmaceutical composition is limited to “tablets, capsules, candies, lozenges, powders, and granules that are ‘dissolved in liquid’ or ‘administered in a solid form.’” Prior Art 1 also states in the specification that BH4 can be prescribed as tablets, injection, or drinking (Plaintiff’s Exhibit 5, p. 25, para. 1) and its oral preparation can take the form of capsules, tablets, pills, and troches (Plaintiff’s Exhibit 5, p. 35, para. 5). Accordingly, as with Claims 1 and 2, Claims 8 through 13 limiting the dosage form cannot be deemed to have remarkable or qualitatively different effects that cannot be expected. Thus, their inventive step is denied by Prior Art 1.

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### 5) Claims 14, 18, and 19

Claims 14, 18, and 19 are dependent claims that refer back to the Claim 1 or 2 in the alternative, by which the administration timing is limited to “once a day,” “once a day at the same time of day,” and “in the morning.” However, the technical significance of limiting the number or timing of administration, as described above, cannot be found in the patented invention. Accordingly, as with Claims 1 and 2, Claims 14, 18, and 19 cannot be deemed to have remarkable or qualitatively different effects that cannot be expected when compared with Prior Art 1. Thus, their inventive step is denied by Prior Art 1.

### 6) Claims 15 and 16

Claims 15 and 16 are dependent claims that refer back to Claim 1 or 2, directly or indirectly, by which the target diseases are limited to PKU, mild PKU, and classic PKU. As mentioned earlier, the medicinal use for “treating HPA” is a technology widely known to a person with ordinary skill at the time of filing of the patented invention. In addition, the specification of Prior Art 1 states “HPA,” “mild PKU or classic severe PKU,” as treatable target diseases (Plaintiff’s Exhibit 5, p. 13, para. 7). Accordingly, just as Claims 1 and 2, the inventive step Claims 15 and 16 is denied by Prior Art 1.

### 7) Claim 17

Claim 17 is a dependent claim that refers back to Claim 1, by which the oral administration timing of the pharmaceutical composition is further limited to “within 5 to 20 minutes after ingestion of food.” The specification of Prior Art 1 also discloses that “in an alternative, the BH4 treatment allows may precede or follow the protein feeding treatment at intervals from minutes to hours” (Plaintiff’s Exhibit 5, p. 25, para. 2). The technical significance of limiting the administration timing as described above cannot be found in the specification of the

patented invention. Accordingly, as in Claim 1, Claim 17 cannot be deemed to have remarkable or qualitatively different effects that cannot be expected when compared with Prior Art 1. Thus, its inventive step is denied by Prior Art 1.

8) Claim 20

Claim 20 is a dependent claim that refers back to Claim 1 or 2 in the alternative, limiting the absorption of BH4 or a pharmaceutically acceptable salt thereof to a case “wherein the Cmax and AUC are increased compared to when BH4 is administered without food (fasting state) by 30% or more.” However, as the above-limited element is a concrete embodiment of the pharmacological mechanism of the Administration Method at Issue, it cannot be deemed to have remarkable or different effects that cannot be expected when compared with Prior Art 1, as in Claim 1. Thus, its inventive step is denied by Prior Art 1, just as Claim 1 or 2.

9) Claim 21

Claim 21 is a dependent claim that refers back to Claim 1 or 2 in the alternative, by which the administration period of the pharmaceutical composition is limited to “3 weeks or more.” In addition, the specification of Prior Art 1 discloses that the experiment, that is, BH4 administration, will be performed for at least six weeks (Plaintiff’s Exhibit 5, p. 38, Example 1). The technical significance of limiting the administration period, as described above, cannot be found. Accordingly, Claim 21 cannot be deemed to have remarkable or qualitatively different effects that cannot be expected when compared with Prior Art 1. Thus, its inventive step is denied by Prior Art 1, as in the cases of Claim 1 or 2.

10) Claims 22 through 25

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Claims 22 through 25 comprise the written information about the pharmaceutical composition, and they use substantially similar elements as Claims 1, 17, 9, and 12, respectively. Providing written information, comprising instructions on the administration method, is a well-known and common method in merchandising a pharmaceutical composition. Accordingly, Claims 22 through 25 cannot be deemed to have remarkable or qualitatively different effects that cannot be expected when compared with Prior Art 1. Thus, their inventive step is denied by Prior Art 1.

### **D. Summary of Discussion**

As all claims of the patented invention are denied an inventive step by Prior Art 1, the patent should be invalidated entirely, without a need to further examine the remaining claims. The IPTAB Decision consistent with the above shall be upheld, as it is without an error justifying revocation as argued by the Plaintiff.

### **3. Conclusion**

The Plaintiff's claim to revoke the IPTAB decision is without merit and, therefore, dismissed.

Presiding Judge	Sungsik YOON
Judge	Soonmin KWON
Judge	Tacksoo JUNG

[Appendix 1]

### **Claims of the Patented Invention**

**【Claim 1】** A pharmaceutical composition for the treatment of HPA, comprising tetrahydrobiopterin (BH4) or a pharmaceutically acceptable salt thereof, which is for oral administration within 0 to 30 minutes after food ingestion.

**【Claim 2】** The pharmaceutical composition according to Claim 1, which is orally administered together with the food.

**【Claim 3】** The pharmaceutical composition according to Claim 1 or 2, wherein the food comprises a high-fat or high-calorie meal.

**【Claim 4】** The pharmaceutical composition according to Claim 1 or 2, wherein said BH4 or a pharmaceutically acceptable salt thereof is administered at a total dose of 1 to 20 mg/kg per day.

**【Claim 5】** The pharmaceutical composition according to Claim 4, wherein said BH4 or a pharmaceutically acceptable salt thereof is administered at a total dose of 5 mg/kg per day.

**【Claim 6】** The pharmaceutical composition according to Claim 4, wherein said BH4 or a pharmaceutically acceptable salt thereof is administered at a total dose of 10 to 20 mg/kg per day.

**【Claim 7】** The pharmaceutical composition according to Claim 4, wherein said BH4 or a pharmaceutically acceptable salt thereof is administered at a total dose of 10 mg/kg per day.

**【Claim 8】** The pharmaceutical composition according to Claim 1 or 2, which is dissolved in a liquid for administration.

**【Claim 9】** The pharmaceutical composition according to Claim 1 or 2, which is administered in a solid dosage form.

**【Claim 10】** The pharmaceutical composition according to Claim 9, wherein the solid dosage form is a tablet, capsule, candy, lozenge, powder, or granule.

**【Claim 11】** The pharmaceutical composition according to Claim 10, wherein the solid dosage form is tablets.

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**【Claim 12】** The pharmaceutical composition according to Claim 9, wherein the solid dosage form is intended to be administered intact.

**【Claim 13】** The pharmaceutical composition according to Claim 10, wherein the solid dosage form is a capsule.

**【Claim 14】** The pharmaceutical composition according to Claim 1 or 2, which is for administration once a day.

**【Claim 15】** The pharmaceutical composition according to Claim 1 or 2, which is for the treatment of patients suffering from phenylketonuria (PKU).

**【Claim 16】** The pharmaceutical composition according to Claim 15, wherein said PKU is mild or classic PKU.

**【Claim 17】** The pharmaceutical composition according to Claim 1 for oral administration within 5 to 20 minutes after ingestion of food.

**【Claim 18】** The pharmaceutical composition according to Claim 1 or 2, for administration once a day at the same time of day.

**【Claim 19】** The pharmaceutical composition according to Claim 1 or 2, which is to be administered in the morning.

**【Claim 20】** The pharmaceutical composition according to Claim 1 or 2, wherein said BH4 or a pharmaceutically acceptable salt thereof is administered with food to increase the absorption of BH4 or a pharmaceutically acceptable salt thereof and the C<sub>max</sub> and AUC are increased compared to when BH4 is administered without food (fasting state) by 30% or more.

**【Claim 21】** The pharmaceutical composition according to Claim 1 or 2, wherein the pharmaceutical composition is for administration to a patient for three weeks or more.

**【Claim 22】** (i) A pharmaceutical composition for treating HPA, comprising tetrahydrobiopterin (BH4) or a pharmaceutically acceptable salt thereof, and (ii) said pharmaceutical includes the written information comprises instructions that the pharmaceutical composition is to be administered orally within 0 to 30 minutes after ingestion of food, and such instructions are to increase the absorption of BH4 or a pharmaceutically acceptable salt thereof.

**【Claim 23】** The pharmaceutical product according to Claim 22, wherein the written information comprises instructions that the pharmaceutical composition is to be administered orally within 5 to 20 minutes after ingestion of food.

**【Claim 24】** The pharmaceutical product according to Claim 22, wherein the pharmaceutical composition is a solid dosage form.

**【Claim 25】** The pharmaceutical product of Claim 24, wherein the written information further comprises instructions that the solid dosage form is administered intact.

[Appendix 2]

## **Main Content of Description of Invention in Specification**

### **[1] Technical Field**

[0001] The present invention is generally directed to the compositions and methods for treating BH4-responsive disorders and methods and compositions to detect and quantitate biopterins.

### **[2] Background**

[0003] Tetrahydrobiopterin (hereinafter “BH4”) is a biogenic amine of the naturally occurring pterin family that is a cofactor for several different enzymes, including phenylalanine hydroxylase (PAH), tyrosine hydroxylase, tryptophan hydroxylase, and nitric oxide synthase. Pterins are present in physiological fluids and tissues in reduced and oxidized forms; however, only the 5,6,7,8-tetrahydrobiopterin is biologically active. It is a chiral molecule, and the 6R enantiomer of the cofactor is known to be the biologically active enantiomer. For a detailed review of the synthesis and disorders of BH4, see Blau et al., 2001 (Disorders of tetrahydrobiopterin and related biogenic amines. In: Scriver CR, Beaudet AL, Sly WS, Valle D, Childs B, Vogelstein B, eds. The Metabolic and Molecular Bases of Inherited Disease. 8th ed. New York: McGraw-Hill, 2001: 1275–1776).

[0004] Fiege et al., in Molecular Genetics and Metabolism 81:45–51 (2004), studied the pharmacokinetics of orally administered tetrahydrobiopterin (BH4) and suggested a “rather large variability of orally administered BH4, probably due to different absorption in the gut or the first passage effect.”

[0005] The use of tetrahydrobiopterin has been proposed for treating different disease states, and there is a need for alternative and improved methods of administering this drug.

### **[3] Content of the Invention**

[0007] The present invention relates to the methods of administering 6R-(L-erythro)-5,6,7,8-tetrahydrobiopterin (BH4) or a pharmaceutically acceptable salt thereof in a manner that improves or maximizes its oral bioavailability and improves or optimizes the consistency of oral

bioavailability from one administration to the next. Such methods can be applied in the treatment of any BH4-responsive disorder, including metabolic diseases, cardiovascular diseases, anemia, and neuropsychiatric disorders. The methods of the invention advantageously allow better control of clinical symptoms, e.g., reduced fluctuation in plasma phenylalanine levels, blood pressure, neurotransmitter levels, or other clinical parameters.

[0009] In the first aspect, the invention provides oral administration methods to a patient in need thereof a purified preparation of BH4.

[0010] In an exemplary embodiment, the methods comprise the step of informing the patient that the absorption of tetrahydrobiopterin is increased when it is ingested with food compared to ingestion without food. In some embodiments, the patient is informed that ingestion shortly after a meal, for example, a high-fat, high-calorie meal, results in an increase in any one, two, three, or all of the following parameters: mean plasma concentration, C<sub>max</sub>, AUC, AUC(0-t), or AUC(inf). In exemplary embodiments, the patient is informed that administration of BH4 with a high-fat meal increases C<sub>max</sub> and AUC compared to BH4 administration without food (in a fasting state). Meanwhile, in some embodiments, the relative increase can be at least 20% or 30% or more.

[0011] In alternative embodiments or in addition to the preceding embodiments, the method of administering tetrahydrobiopterin comprises informing the patient that the absorption of tetrahydrobiopterin is increased when ingested as an intact tablet compared to when ingested after being dissolved in liquid. In some embodiments, the patient is informed that ingestion of intact tablets results in an increase in any of the following parameters: mean plasma concentration, C<sub>max</sub>, AUC, AUC(0-t), or AUC(inf). Moreover, in exemplary embodiments, the patient is informed that administration of BH4 as an intact tablet increases C<sub>max</sub> and AUC compared to BH4 administration after being dissolved in a liquid. In some embodiments, the relative increase can be at least 20% or more.

[0233] IV. Treatment of BH4-Responsive Diseases

[0234] HPA, neuropsychological or neuropsychiatric disorders

[0235] The methods of the invention may be used for the treatment of conditions associated with elevated phenylalanine levels or decreased tyrosine or tryptophan levels, which may be caused, for example, by

reduced phenylalanine hydroxylase, tyrosine hydroxylase, or tryptophan hydroxylase activity. Conditions associated with elevated phenylalanine levels specifically include phenylketonuria (PKU), both mild and classic, and hyperphenylalaninemia, as described herein, and exemplary patient populations include the patient subgroups described herein, as well as any other patient exhibiting phenylalanine levels above normal.

[0238] Suitable subjects for treatment with the stable formulations of the invention include subjects with an elevated plasma Phe concentration in the absence of the therapeutic, e.g., greater than 1800  $\mu\text{M/L}$ , greater than 1600  $\mu\text{M}$ , greater than 1400  $\mu\text{M}$ , greater than 1200  $\mu\text{M}$ , greater than 1000  $\mu\text{M}$ , greater than 800  $\mu\text{M}$ , greater than 600  $\mu\text{M}$ , greater than 420  $\mu\text{M}$ , greater than 300  $\mu\text{M}$ , greater than 200  $\mu\text{M}$ , or greater than 180  $\mu\text{M}$ . Mild PKU is generally classified as plasma Phe concentrations of up to 600  $\mu\text{M/L}$ , moderate PKU as plasma Phe concentrations of between 600  $\mu\text{M/L}$  to about 1200  $\mu\text{M/L}$  and classic or severe PKU as plasma Phe concentrations that are greater than 1200  $\mu\text{M/L}$ . Preferably, treatment with the stable formulations alone or with protein-restricted diet decreases the plasma phenylalanine concentration of the subject to less than 600  $\mu\text{M}$  or less than 500  $\mu\text{M}$ , 360  $\mu\text{M} \pm 15 \mu\text{M}$  or less, less than 200  $\mu\text{M}$ , or less than 100  $\mu\text{M}$ . Other suitable subjects include those diagnosed with reduced phenylalanine hydroxylase (PAH) activity, atypical or malignant PKU associated with BH4 deficiency, hyperphenylalaninemia associated with a liver disorder, and hyperphenylalaninemia associated with malaria. Reduced PAH activity may result from a mutation in the PAH enzyme, for example, a mutation in the catalytic domain of PAH or one or more mutations selected from the group consisting of F39L, L48S, I65T, R68S, A104D, S110C, D129G, E178G, V190A, P211T, R241C, R261Q, A300S, L308F, A313T, K320N, A373T, V388M, E390G, A395P, P407S, and Y414C; subjects that are pregnant females, females of child-bearing age contemplating pregnancy, infants between 0 and 3 years of age or 0–2, 0–1.5, or 0–1; or subjects diagnosed as unresponsive within 24 hours to a single-dose BH4 loading test or a multiple-dose loading test, such as a 4-dose or 7-day loading test. Exemplary patient populations and BH4 loading tests are described in Int'l. Publication No. WO 2005/049000, incorporated herein by reference in its entirety.

#### **[4] Specific Detail to Exploit the Invention**

[0320] Example 3

[0321] Relative Bioavailability of Tetrahydrobiopterin (BH4) Administered After Dissolution of Tablet(s) in Water or Administered as Intact Tablet(s), and Effect of Food on Absorption in Healthy Subjects

[0439] Mean plasma concentrations of BH4 were lower when BH4 was administered as a dissolved tablet compared to the intact tablet (Figures 23 and 24). Mean C<sub>max</sub> was higher for the intact tablet, as were mean values for AUC(0-t) and AUC(inf) (Figure 25). The geometric mean ratios, intact-to-dissolved tablet, ranged from 118% to 121%, and the upper limits of the associated 90% confidence intervals were greater than 125% (Figure 26), indicating a statistically significant increase in absorption when the intact tablet is administered with a high-calorie, high-fat meal difference in absorption between dissolved and intact tablet administration. The median and range for T<sub>max</sub> were essentially the same for the dissolved and intact tablets (Figure 25), suggesting that the increase seen with the intact tablet was in the extent but not the rate of absorption.

[0441] Effect of High-Calorie, High-Fat Food on Drug Absorption

[0442] As expected, administration of the intact tablet with a standard high-fat, high-calorie meal resulted in a substantial increase in the mean plasma BH4 concentrations (Figure 23) and mean values for C<sub>max</sub>, AUC(0-t), and AUC(inf) (Figure 25). The geometric mean ratios (fed-to-fasted) ranged from 126% to 139% (Figure 26), and consequently, the upper limits of the associated 90% confidence intervals were greater than 125%, indicating a statistically significant difference in the effect of food on absorption compared to intact tablets. The median and range for T<sub>max</sub> were essentially the same under fed and fasted conditions (Figure 25), suggesting that the increase seen with food was in the extent but not the rate of absorption.

[0444] Safety

[0445] There were no serious adverse events (SAEs) in this study. Five subjects reported a total of nine adverse events (AE)s. Eight of these nine AEs were assessed as mild, and one was assessed as moderate in severity. The most common AE was headache; one subject experienced moderate headache, which was assessed as unrelated to the study drug, and one subject experienced mild headache on two occasions—both of which were assessed as possibly related. In all, five events were judged

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to be unrelated, and four were judged to be possibly related to the study drug. Study exit assessments, ECG, and physical examination evaluations were completed with no clinically significant findings.

[0447] Conclusions

[0448] Administration of BH4 as an intact tablet resulted in an approximate 20% increase in the extent of absorption compared to a dissolved tablet.

[0449] Administration of BH4 as an intact tablet with a high-calorie, high-fat meal under fed conditions resulted in an approximate 30% increase in the extent of absorption compared to fasted conditions.

[0450] No clinically significant issues and safety parameters or safety issues were identified in this study population. There were no AEs considered serious in this study. Among the nine AEs reported, all but one, an instance of headache, was mild, and it was assessed to be unrelated to the study drug. Instances of fatigue and headache were the only AEs, possibly related to the study drug, but these were assessed as mild in severity.

**PATENT COURT OF KOREA**  
**SECOND DIVISION**  
**DECISION**

**Case No.** 2019Heo4024 Rejection (Trademark)

**Plaintiff** A  
CEO B  
Counsel for Plaintiff InvenSync  
Patent Attorney in Charge Youngdoo Kim

**Defendant** Commissioner of the Korean Intellectual  
Property Office  
Counsel for defendant Jaeseong Roh

**Date of Closing Argument** October 10, 2019

**Decision Date** November 7, 2019

**ORDER**

1. The decision rendered by the Intellectual Property Trial and Appeal Board on May 13, 2019, concerning the case numbered 2019Won80 shall be revoked.
2. The cost arising from this litigation shall be borne by the defendant.

**PLAINTIFF'S DEMAND**

As ordered.

## OPINION

### 1. Background

#### A. Plaintiff's Field Trademark (Plaintiff's Exhibit No. 2)

- 1) Filing No. / filing date of application: JE40-2017-66221HO / May 30, 2017
- 2) Mark at issue: 마약베개<sup>1)</sup>
- 3) Designated Goods: pillows, auxiliary pillows, headrest pillows, neckrest pillows, pillow foams, infant pillows, automotive neck cushions, decorative pillows, and cushions, among 20 product categories

#### B. IPTAB Decision

1) As B, the plaintiff's Chief Executive Officer, filed for trademark registration concerning the claimed trademark at issue on May 30, 2017, the Examiner of the Korean Intellectual Property Office issued a notice of refusal, reasoning that “since the filed trademark of this case resembles a prior filed trademark of ‘drug bed’ (hereinafter, ‘prior filed trademark’) and a prior registered mark of ‘drug blanket’ (hereinafter, ‘prior registered mark’) in terms of the designated goods and mark, which falls under Article 34(1)(7) of the Trademark Act and Article 35(1) of the Trademark Act, registration cannot be executed” concerning the filed trademark of this case on September 8, 2017.

2) On November 8, 2017, B submitted a response following the decision of rejection, etc.; however, the examiner of the Korean

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1) it means “narcotic pillow” in Korean

Intellectual Property Office issued a rejection concerning the filed trademark of this case, reasoning that “on January 4, 2018, B’s response addressed the ground for rejection pursuant to Article 35(1) of the Trademark Act, but the ground of rejection of Article 34(1) of the Trademark Act has not been addressed.” Around that time, the applicant for the claimed trademark at issue was changed from B to the plaintiff.

3) On February 5, 2018, the plaintiff appealed to the Intellectual Property Trial and Appeal Board concerning the above rejection (2018Won528ho), and took the transfer of the trademark rights to the prior registered mark on August 1, 2018. The Intellectual Property Trial and Appeal Board cited the plaintiff’s petition for trial on October 1, 2018, reasoning that “the plaintiff’s taking the transfer of the prior registered mark will result in the applicant of the claimed trademark at issue being the same as the person having the rights to the prior registered mark, and thus, the ground for rejection for the original decision under Article 35(1) of the Trademark Act has been addressed.”

4) Meanwhile, the Examiner of the Korean Intellectual Property Office, on October 29, 2018, following the results of the re-examination, concerning the claimed trademark at issue, issued a notice of refusal again, reasoning that “when the ‘마약’<sup>2)</sup> part of the claimed trademark at issue is used for the designated goods, it constitutes labeling of property which is intuitively taken in the sense of ‘a pillow which one desires to keep using like the addictiveness of drug’ or ‘a very comfortable pillow’, and even in real life, many use it, and thus, given that there is no distinction, all of the designated goods fall under Article 33(1)(3) and (7) of the Trademark Act, and the claimed trademark at issue may be against the good customs and meanings and contents for general consumers or may even harm public order, and

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2) narcotic drug

## PATENT COURT DECISIONS

thus, it is not possible to execute registration for all of the designated goods pursuant to Article 34(1)(4) of the Trademark Act.”

5) On November 16, 2018, the plaintiff responded following the issuance of a decision for rejection, etc.; however, the Examiner of the Korean Intellectual Property Office issued a rejection for the claimed trademark at issue, reasoning that on December 27, 2018, despite the plaintiff’s response, the ground for rejection was not addressed on October 29, 2018.

6) On January 9, 2019, the plaintiff appealed to the Intellectual Property Trial and Appeal Board concerning the rejection above, and the Intellectual Property Trial and Appeal Board, on May 13, 2019, rendered a decision dismissing the plaintiff’s petition for a trial above (2019Won80ho), reasoning that “the ‘**마약**’ part of the claimed trademark at issue is a term that refers to a substance carrying a high risk of abuse, and if it is recognized as a trademark, it will instill awareness in general consumers that it has been recognized by the state and further impair public health, among others, and given such concerns, the claimed trademark at issue, when considered in connection with the designated goods, falls under Article 34(1)(4) of the Trademark Act, given concerns that it is against the good customs and meanings and contents for general consumers or may even harm public order.”

[Factual Basis] Undisputed Facts, Statements and Videos of Plaintiff’s Exhibits No. 1 through 5, and Exhibits No. 22 through 25, Purport of the overall argument

## 2. Summary of Plaintiff’s Argument

The ‘**마약**’ part of the claimed trademark at issue is free of the

concern for harming public order and customs on its own, and merely implies a pillow strong in addictiveness given excellent comfort if used in combination with a pillow, a designated good, and thus, does not constitute a ground for rejection to execute trademark registration under Article 34(1)(4) of the Trademark Act. Furthermore, the claimed trademark at issue does not offer intuitive experience of the quality, efficacy, etc. of designated goods, and since it is difficult to recognize distinction under social conventions, and it cannot be considered unfair in terms of public interest to grant exclusive use to a specific person, and thus, it also does not constitute grounds for not being able to execute trademark registration under Article 33(1)(3) and (7) of the Trademark Act. The IPTAB decision, which differed from this conclusion, was made in error and must be revoked.

### **3. Whether IPTAB Erred**

#### **A. Applicability of Article 34(1)(4) of the Trademark Act**

##### **1) Relevant law**

Article 34(1)(4) of the Trademark Act provides that ‘if a trademark itself or if a trademark is used for a product, trademark registration shall not be allowed for the trademarks that may harm public order, such as against good customs, which are the general moral concepts of the general public, such as the meaning and content perceived by and for consumers’, and ‘good customs’ include social ethics and moral order which are respected under social conventions and social ethics among traditional values, as well as public morals to be observed as free citizens, and ‘public order’ includes the basic order of liberal democracy, such as public law and order, international trust and general social order, as well as fair and credible trading order and the guarantee of human dignity and values and equality. Further, whether

## PATENT COURT DECISIONS

a trademark falls under Article 34(1)(4) of the Trademark Act shall be discussed based on the decision of appeal against registration decision or rejection for the trademark concerned (refer to judgment numbered 2020HU1362 made on May 14, 2004, by the Supreme Court).

### 2) Discussion

#### A) Established facts

Each of the following facts is recognized when the purport of the overall argument is taken together with the statements and videos of Plaintiffs Exhibits No. 6 through 8, 10, and 29 (including each extension number for any with extension, hereinafter the same).

① ‘마약(Narcotic Drug)’ in the Korean dictionary of the Internet portal site ‘Daum’ provides a definition of something having a strong sedative and anesthetic effect, which is also described as a substance to which one becomes addictive if used for long.

② Articles 4 and 5 of the Narcotics Control Act, in principle, prohibit the handling of narcotics by those who are not narcotics handlers, and Article 6 of the same Act restricts the eligibility of the narcotics handlers.

③ According to the Korean Standard Classification of Diseases (KCD-7), ‘addiction’ by drugs and psychotropic drugs (hallucinogens) is classified as a disease.

④ At or about the time of the IPTAB decision, the registered trademarks including ‘drug’ were as follows.

Registered Trademark	Date	Products & Designated Goods
<b>마약셀카</b> <sup>3)</sup>	2015. 3. 30.	Classification 9: computer software applications for photo taking and decorating photos
<b>마약퍼퓸</b> <sup>4)</sup>	2018. 8. 9.	Classification 5: deodorant for fiber, etc.

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3) narcotic self-camera

4) narcotic perfume

Registered Trademark	Date	Products & Designated Goods
<b>마약방석</b> <sup>5)</sup>	2014. 9. 29.	Classification 20: cushion for pets, etc.
<b>마약버블필링</b> <sup>6)</sup>	2016. 6. 28.	Classification 21: pads for exfoliation (cosmetics), etc.
<b>마약스키니</b> <sup>7)</sup>	2017. 5. 12.	Classification 25: clothing, pants, leggings, etc.
<b>마약침대</b> <sup>8)</sup>	2018. 2. 27.	Classification 20: beds, mattress beds, etc. (Registration Number 40-1334925) Classification 20: bed retail business, bed wholesale business, etc. (Registration Number 40-1334926)
<b>마약 의자</b> <sup>9)</sup>	2017. 2. 20.	Classification 20: chairs, etc. (Registration Number 40-1234315) Classification 35: chair wholesale business, chair retail business, etc. (Registration Number 41-0387815)

⑤ The plaintiff conducted a survey on the consumer awareness related to the claimed trademark at issue with a total of 216 people, consisting of adult males and women of age 20 or older and 49 or less, residing across the nation through Gallup Korea from February 13 until February 14, 2019 (hereinafter, ‘survey of this case’).

Among which, 97.7% of the respondents recognized ‘drug pillow’ as a pillow product, not as a drug, and 97.2% of the respondents perceived the ‘drug pillow’ not as a pillow used for consuming drugs or a pillow used for injecting drugs, but rather as a ‘comfortable pillow one desires to continue to use like a drug’s addictiveness’. Furthermore, 56.9% of the respondents perceived that the drug pillow had latex built in, and no respondents thought that any drug was built in.

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5) narcotic cushion

6) narcotic bubble peeling

7) narcotic skinny

8) narcotic bed

9) narcotic chair

## PATENT COURT DECISIONS

### B) Specific discussion

Adding the following circumstances which may be recognized by combining the purport of the overall argument with the established facts above, it would be difficult to deem that the meaning and contents given to the general consumers or trading parties when the filed trademark of this case is used for pillows, etc., which are designated goods, could harm public order, such as against the good customs of moral concepts, which are conventional for the general public.

① In view of the purpose of the Narcotics Control Act to prevent health hazards caused by misuse or abuse by appropriately handling and controlling drugs, psychotropic drugs, marijuana, and raw materials, thereby making contribution to the improvement of national health, and the fact that the Korean Standard Classification of Diseases (KCD-7) classifies ‘addiction’ to drugs and psychotropic drugs (hallucinogens) merely as a disease, it is not possible to conclude that inclusion of ‘drug’ in the trademark alone does not give rise to the concerns of harming public order or good customs.

② The claimed trademark at issue has a letter mark which combines ‘pillow’, a kind of bedding placed at the neck when sleeping, with ‘drug.’ As discovered in the results of the survey of this case, it cannot be deemed that drugs are built in to the ‘drug pillow’, and it would actually be more natural to deem that it associates with a ‘pillow one desires to continue to use like being addicted because of so much comfort’.

③ A pillow is not related to the properties, efficacy, and the purpose of use of drugs, so even if the claimed trademark at issue were used for a pillow, which is a designated good, there seems to be no possibility that general consumers or trading parties would recognize the pillow as containing drugs.

④ At or about the time of the IPTAB decision, many trademark registrations were executed for the marks including the letter of ‘drug’ in the trademarks of designated goods which come in direct contact

with the human body, such as beds, chairs, cosmetic utensils, clothing, and fabric deodorizers, as designated goods, and considering the fact that the marks containing the letter of 'drug' are used in various household goods in the reality of trading, general consumers or trading parties, at the time of the IPTAB decision, may hardly have recognized the 'drug' part included in the mark as its dictionary definition.

### **B. Applicability of Article 33(1)(3) and (7) of the Trademark Act**

#### **1) Relevant law**

Article 33(1)(3) of the Trademark Act prohibits the registration of trademarks consisting solely of the marks in which the product's origin, quality, efficacy, and usage are normally used, because it is a necessary mark in the process of distribution, and given the requirement of public interest that it shall not be used exclusively by those in need of its use as specific people, and when it is permitted, no distinction could be made from other goods of the same industry of another. Therefore, whether which trademark is applicable must be objectively discussed in consideration of the concept carried by the trademark, the relationship with the designated goods, and the circumstances of the trading society, etc., and even if and when the trademark suggests or emphasizes the quality, efficacy, and use of the designated goods, if consumers cannot recognize that it labels the simple quality, efficacy, and use of designated goods in view of the structure of the overall trademark, it will not be applicable (refer to judgment numbered 2005Hu2595 made on January 26, 2006, by the Supreme Court, and judgment numbered 2015Hu1911 made on January 14, 2016, by the Supreme Court).

Furthermore, Article 33(1) of the Trademark Act provides for the "trademarks which consumers cannot identify as the goods related to whoever's business other than the trademarks applicable under

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Subparagraphs 1 through 6” under Subparagraph 7, as an example of the case in which trademark registration cannot be executed, which means that even if the trademark is not applicable under Subparagraphs 1 through 6 of the same Paragraph, the trademarks which cannot be identified as to their source between their product and another's product cannot be registered. Which trademarks are applicable among those without distinction must be objectively decided in view of the concept of the trademark, relationship of designated goods and the trading society, among other circumstances, but if it is difficult to recognize the distinction of one’s own and others’ products under social conventions, or if it is recognized that any exclusivity shall not be had by a specific person in public interest, then the trademark shall be said to be of no distinction (refer to judgment numbered 2012HU2951 made on December 27, 2012, by the Supreme Court).

Meanwhile, the reference point of the discussion of whether the claimed trademark satisfies the distinction requirements of Article 33(1) of the Trademark Act is, in principle, the time of deciding whether to register the trademark or not, and if registration is decided by an appeal trial concerning rejection, it shall be the time of that decision (refer to judgment numbered 2011HU1142 made on April 13, 2012, by the Supreme Court, etc.).

### 2) Applicability of Article 33(1)(3) of the Trademark Act

For the following reasons, the claimed trademark at issue cannot be said to be a technical mark under Article 33(1)(3) of the Trademark Act since it is not intuitively perceived to label the quality, efficacy, and the purpose of use of designated goods.

① The claimed trademark at issue has a strong sedative effect and an anesthetic effect, and is a trademark combining the letter of ‘drug,’ meaning a substance to which one becomes addicted when used for long, and the letter of ‘pillow,’ a type of bedding supporting the neck

when sleeping. Among these, the ‘pillow’ part indicates the purpose of use of designated goods, etc., yet in terms of the so-called combination trademark consisted of two or more symbols, letters, or figures, each part forming the trademark shall not be separated from each other, but viewed as a whole to consider in order to see and discuss if and whether there is a special salience (refer to judgment numbered 90Hu1208 made on March 27, 1991, by the Supreme Court, etc.), and the claimed trademark at issue has only four syllables, so general consumers or trading parties as a whole have no difficulty referring to them, while the ‘pillow’ part marks the designated goods, and since distinction is weak, given the fact that it is unlikely that general consumers or trading parties would recognize or refer to the claimed trademark at issue with this part alone, among others, the claimed trademark at issue would likely be perceived as a whole.

② As above, when the claimed trademark at issue is perceived as a whole, it may indirectly imply or stress the efficacy, purpose of use, etc. for designated goods, given the meaning of a ‘pillow one desires to continue to use for so much comfort’ and a ‘pillow so addictive for so much comfort’ for general consumers or trading parties.

③ The results of the survey of this case also illustrated that 97.2% of the respondents perceived the claimed trademark at issue as a ‘pillow one desires to continue to use for so much comfort’.

### 3) Applicability of Article 33(1)(7) of the Trademark Act

As examined above, general consumers or trading parties would likely perceive the claimed trademark at issue as a pillow one desires to continue to use for so much comfort like being addicted, yet this may not be deemed to be a common property generally to be had by designated goods of the claimed trademark at issue, and thus, it could not be said that the claimed trademark at issue has distinction in the relationship with designated goods denied, and even taking into consideration the circumstances of the trading society, etc., there are

## PATENT COURT DECISIONS

no grounds to believe that it is a mark which is not appropriate to be exclusive for specific people in public interest, nor difficult to perceive the distinction of own and other products under social conventions as for the claimed trademark at issue.

Therefore, the claimed trademark at issue does not constitute a trademark through which consumers of Article 33(1)(7) of the Trademark Act could not identify as to which products are marked in connection with whose business.

### 4) Summary of discussion

The claimed trademark at issue does not fall under the grounds for preventing registration for a trademark under Article 33(1)(3) and (7) of the Trademark Act.

## 4. Conclusion

Therefore, we render a decision as ordered since the plaintiff's petition had grounds in seeking that the IPTAB decision be revoked.

Presiding Judge	Jejeong LEE
Judge	Kisu Kim
Judge	Jiyoung Yi

**PATENT COURT OF KOREA  
THIRD DIVISION  
DECISION**

**Case No.** 2019Heo6587 Rejection (Trademark)

**Plaintiff** A  
CEO B  
Counsel for Plaintiff Minjeong PARK

**Defendant** Commissioner of Korea Intellectual  
Property Office(the “KIPO”)  
Counsel for the KIPO Yulgun SHIN

**Date of Closing Argument** January 15, 2020

**Decision Date** February 14, 2020

**ORDER**

1. The IPTAB Decision 2018Won1138, dated July 12, 2019, is revoked.
2. The cost arising from this litigation shall be borne by the Defendant.


**PLAINTIFF’S DEMAND**

As ordered.

## OPINION

### 1. Background

#### A. Plaintiff's Claimed Mark at Issue (Plaintiff's Exhibit 2)

- 1) Application No./ Filing Date of Application/ Date of Claimed Priority: No. 40-2017-25473/ February 27, 2017/ August 29, 2016
- 2) Claimed Mark: 
- 3) Designated Goods: As per Appendix 1

#### B. Intellectual Property Trial and Appeal Board (IPTAB) Decision

1) The KIPO examiner issued an Office Action on the Claimed Mark on October 19, 2017, stating that “the Claimed Mark falls under Article 33(1)(vi) of the Trademark Act, consisting solely of a simple and common sign, and therefore, its registration is denied” (Plaintiff's Exhibit 3).

2) In response, the Plaintiff submitted a written argument on December 19, 2017. However, the KIPO examiner issued a rejection of registration on February 11, 2018, on the grounds that “the changes from the shape of a circle in the thickness of the beginning and end of the circular line at the bottom of the Claimed Mark and the addition of the blue color to the line are recognizable.

However, because the line's thickness constituting the circle is constant, except for the end portion, it is only designed to the degree that it would be viewed as a common stylization of a ‘circle,’ and the ordinary consumers or traders will perceive this as a circle or a simple

stylization of a circle. Therefore, it falls under Article 33(1)(vi) of the Trademark Act (Plaintiff's Exhibit 4).

3) The Plaintiff filed a petition in the IPTAB (IPTAB 2018Won1138) for an administrative trial against the KIPO's decision above. However, the IPTAB rendered a decision on July 12, 2019, dismissing the Plaintiff's petition (hereinafter "**the IPTAB Decision**") on the following grounds (Plaintiff's Exhibit 1):

[Factual Basis] Undisputed facts, statements in Plaintiff's Exhibits 1 through 4, and purport of the overall argument

## **2. Summary of Parties' Arguments**

### **A. Summary of Plaintiff's Arguments**

The Claimed Mark does not fall under Article 33(1)(vi) of the Trademark Act for the following reasons. Therefore, the IPTAB Decision inconsistent with the above erred, and, therefore, shall be revoked.

- 1) The Claimed Mark should not be considered a simple mark because the blue circle is organically combined with a speech bubble inside.
- 2) The Proposed Claimed Mark's speech bubble shape should not be considered a common mark because it differs significantly from common speech bubble shapes in detail, such as the tail's angle.
- 3) Other figure marks combining a circle have been registered for their distinctiveness, and the Claimed Mark was registered in many foreign countries for its distinctiveness as well. Given

## **PATENT COURT DECISIONS**

these registration cases, the Claimed Mark should not be considered a simple and common mark.

### **B. Summary of Defendant's Arguments**

The Claimed Mark's registration should be denied, as it falls under Article 33(1)(vi) of the Trademark Act for the following reasons. The IPTAB Decision is consistent with the above and shall be upheld.

- 1) The Claimed Mark corresponds to a simple and common mark because it comprises a circle, a simple and common shape, which is slightly stylized in a common way, with blue color added.
- 2) Even if the Claimed Mark should be recognized as a speech bubble figure, as the Plaintiff argues, speech bubble figures are commonly used today in mobile social media platforms and Internet blogs. Besides, the design of the Claimed Mark is difficult to be perceived as something more than the typical speech bubble shape or draw special attention.

## **3. Whether the Claimed Mark Falls under Article 33(1)(vi) of the Trademark Act**


### **A. Discussion**

The ground of rejection under Article 33(1)(vi) of the Trademark Act, "A trademark consisting solely of a simple and common mark," means that a trademark may not be registered if it consists solely of a simple and common mark, not "a trademark consisting solely of a simple or common mark" (Supreme Court Decision, 84Hu93, decided

January 29, 1985). Whether a mark is simple and common depends on the specific facts of the case, considering trade practice and whether granting exclusive use on the mark is permissible (Supreme Court Decision, 2003Hu2942, decided November 26, 2004). Moreover, a mark that is a stylized version of a common figure or letter may survive the “simple and common” test only when the mark is designed to the degree that it would be viewed as something more than the original meaning of the figure or draw special attention from ordinary consumers or traders (see e.g. Supreme Court Decision, 2006Hu3632, decided March 16, 2007). The burden of proving that the reason for rejecting the registration of a mark lies with the KIPO’s Commissioner.


## B. Analysis


Given the following circumstances admitted based on the statements and images provided in Plaintiff’s Exhibits 4 and 14 through 24, Defendant’s Exhibits 2 through 5, and the purport of the overall arguments, it is difficult to consider the Claimed Mark as a trademark consisting a simple and common mark.


1) The Claimed Mark has the appearance of . ① As in



, a line of a certain width draws a circle clockwise, starting from the lower middle area. As the line reaches the end of the circle at the lower middle area, its width gradually decreases. The line with the sharp tail then meets the other end of the line at the lower middle

area. Meanwhile, the circle’s inner figure is white. ② As in , the outer part surrounding the figure is circular. ③ The blue color is organically combined with the figure.

2) As seen in the red square here, , the inner figure is formed in a shape where the line's thickness varies at the end of the line with a pointed tail. It is expected that ordinary consumers and traders will recognize the Claimed Mark by the white inner shape that occupies a high proportion of the mark. The shape formed inside the circle is different from the speech bubble shapes listed in Appendix 2 (Plaintiff's Exhibit 21, Defendant's Exhibits 2 through 5) because of the characteristics of the form.


3) The characteristics of the form and the degree of the abstraction of the shape of the inner figure, , leave room for different perception so that it may be seen as a shape of a speech bubble, comma, or water droplet, depending on the viewer's perspective. Therefore, the Claimed Mark cannot be considered a minor transformation from the original unstylized circle. It is also constructed so that a new image is perceived by surrounding the circumference with a circular blue line of a certain width. In the trading society, it cannot be said that it is common to combine an inner shape that is recognized as a speech bubble, comma, or water droplet, and an outer figure in the shape of a blue circle, such as the Claimed Mark. Therefore, the composition of the above mark must be considered distinctive to distinguish its designated goods.


4) The Claimed Mark is a logo developed for use in the Plaintiff's "Alexa,"<sup>1)</sup> an artificial intelligence (AI) speaker or mobile

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1) This refers to the speech-recognition AI personal assistant released by the Plaintiff in 2014 (Plaintiff's Exhibits 6, 16, 18, 19, and 20) in a speaker-type device form (Plaintiff's Exhibit 14). It is used in the cloud-based speech recognition service developed by the Plaintiff (Plaintiff's Exhibit 15).


AI platform. As the above product was released circa November 2014, it seems that it has been used as a mark indicating the Plaintiff's product or service in Korea and various countries worldwide (Plaintiff's Exhibits 6 through 20). Upon searching the image of the Claimed Mark on the Internet search platform Google (www.google.co.kr), the Claimed Mark and other images similar to it

appeared, including , a mark in which the color of the Claimed

Mark is inversed, and , a mark similar to the Claimed Mark (Plaintiff's Exhibit 22), along with the search results of the Claimed Mark as the official logo of Alexa. No data is produced that third parties use similar images or logos or there are cases of misconception or confusion concerning the Claimed Mark.

In principle, even if the Claimed Mark is registered as a trademark, the scope of its rights extend only to the mark with the same or similar appearance as the registered mark. Therefore, the related business circles can freely use marks consisting of ordinary figures, such as speech bubbles, commas, and water droplets, or marks combining these figures with a circle as a trademark.<sup>2)</sup> As such, there is no reason for rejecting the application of the Claimed Mark, even in light of the course of trade and exclusive adaptability.

5) The Defendant argues that the Claimed Mark is not designed to the degree that it would be viewed as something more than an unstylized speech bubble and draw special attention from ordinary consumers and traders on the grounds that the inner shape of the Claimed Mark can be easily developed by drawing a circle and then

adding a tail, such as  (Defendant's Exhibit 6), or that it is

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2) See Supreme Court Decision, 2002Hu291, decided May 27, 2003.

## PATENT COURT DECISIONS

almost like the basic shape sketched with a colored pencil, such as



(Defendant's Exhibit 7), or a shape that can be easily modified from this basic shape. However, the Claimed Mark differs significantly from the above speech bubble shape or a shape sketched with a colored pencil because of the characteristics of its form, as seen earlier. Furthermore, the above shapes are not combined with an external circular figure. Thus it is difficult to say that the Claimed Mark is similar to the above shapes or can be modified easily.

### C. Summary of Analysis

As discussed above, the Claimed Mark cannot be seen as a “simple and common mark.” Therefore, it does not fall under Article 33(1)(vi) of the Trademark Act.

## 4. Conclusion

Thus the IPTAB erred in its decision. The Plaintiff's claim to revoke the IPTAB Decision is well-grounded and shall be granted as ordered.

Presiding Judge	Kyuhong LEE
Judge	Sungyop WOO
Judge	Jinhee LEE

[Appendix 1]

## **Designated Goods Bearing the Proposed Claimed Mark**

- Class 9 goods under the Classification of Goods, including voice command and recognition software; speech-to-text conversion software; voice-enabled software applications; personal assistant software; home automation and home device integration software; personal vehicle integration software; wireless communication software for voice, audio, video, and data transmission; search engine software; computer software used for controlling stand-alone voice-controlled information and personal assistant devices; computer software for personal information management; computer software for accessing, browsing, and searching online databases, audio, video, and multimedia content, games, and software applications; software application marketplaces; computer software for accessing, monitoring, tracking, searching, saving, and sharing information on topics of general interest; computer software for use in providing retail and ordering services for a wide variety of consumer goods; computer software for connecting and controlling Internet of Things (IoT) electronic devices; computer software for connecting, operating, integrating, controlling, and managing networked consumer electronic devices, home climate devices, lighting products, and personal vehicle software via wireless networks; computer software for others to use for the development of software to manage, connect, and operate IoT electronic devices; computer software for use as an application programming interface (API); software development kits (SDKs) consisting of computer software development tools for the development of voice service delivery and nature language understanding technology across global computer networks, wireless networks, and electronic communications networks; SDKs consisting of computer software for the development, use, and

## PATENT COURT DECISIONS

interoperability of APIs used by electronic devices, systems, and interchanges that exchange data via communications networks and the Internet and connect with cloud-based data storage and exchange services; SDKs comprising of software development tools and software for use as an API for creating software and applications related to Internet-connected consumer electronic devices; API, namely software facilitating the development voice service delivery and personal assistant capability tools, in connection with consumer electronic devices; computer application software for handheld wireless devices, namely software for controlling, integrating, operating, connecting, and managing voice controlled information devices, namely cloud-connected and voice-controlled smart consumer electronic devices and electronic personal assistant devices; and computer software development tools

- Class 35 services under the Classification of Services, including providing product information to assist with the selection of general consumer merchandise to meet the consumer's needs; consumer information and related news in the field of sports, entertainment, business and finance, politics and government, health and physical fitness, weather, science and technology, travel, arts and literature, lifestyle and personal growth, vehicles and transportation, education and child development, real estate, fashion and design, food and cooking, home decorating, music and cinema, history, medicine, law, and current events; online ordering services; and administrative processing of orders
- Class 41 services under the Classification of Services, including providing non-downloadable prerecorded music and podcasts; entertainment and amusement information, including news and commentary in the field of current events, entertainment, music, cinema, and travel; information, news, and commentary in the field of cultural events, including in the field of arts, literature, fashion, design, food, and cooking; information, news, and commentary in the field of sports; and educational information, including news and

commentary in the field of business and finance, politics and government, health and physical fitness, weather, science and technology, lifestyle and personal growth, vehicles and transportation, education and child development, real estate, home decorating, history, medicine, law, and consumer affairs

- Class 43 services under the Classification of Services, including platform as a service (PaaS) featuring computer software platforms for voice command and recognition software, speech-to-text conversion software, and voice-enabled software applications; PaaS featuring computer software platforms for personal assistant software; PaaS featuring computer software platforms for home automation and home device integration software; PaaS featuring computer software platforms for personal vehicle integration software; PaaS featuring computer software platforms for wireless communication software for voice, audio, video, and data transmission; software as a service (SaaS) featuring computer software used for controlling stand-alone voice-controlled information and personal assistant devices; SaaS featuring computer software for personal information management; SaaS featuring computer software for accessing, browsing, and searching online databases, audio, video, and multimedia content, games, and software applications; software application marketplaces; SaaS featuring computer software for accessing, monitoring, tracking, searching, saving, and sharing information on topics of general interest; computer software for use in providing retail and ordering services for a wide variety of consumer goods; SaaS featuring computer software for use to connect and control IoT electronic devices; SaaS featuring computer software for connecting, operating, integrating, controlling, and managing networked consumer electronic devices, home climate devices, lighting products, and vehicles via wireless networks; SaaS featuring computer software for others to use for the development of software to manage, connect, and operate IoT electronic devices; SaaS featuring computer software for use as an API, design, development, and maintenance of proprietary

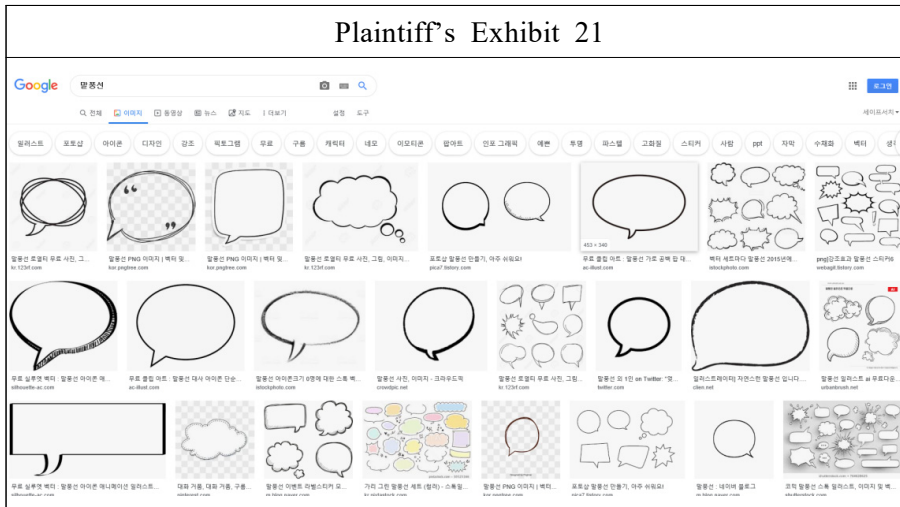
## PATENT COURT DECISIONS

computer software in the field of natural language, speech, language, and voice recognition, technical support and consultation services for developing computer systems, platforms and applications; application service provider (ASP) services featuring software for controlling, integrating, operating, connecting, and managing voice-controlled information devices, namely cloud-connected and voice-controlled smart consumer electronic devices and electronic personal assistant devices; providing customized computer searching services, namely searching and retrieving information at the user's specific request via the Internet; computer services, namely providing remote management of devices via computer networks, wireless networks or the Internet; provision of Internet search engine services, information, advisory, and consultancy services relating to the computer field

- Class 45 services under the Classification of Services, including social networking services, personal concierge services for others, and running errands for others. **End.**

[Appendix 2]

## Speech Bubble Images



**End.**

**PATENT COURT OF KOREA  
FIFTH DIVISION  
DECISION**

<b>Case No.</b>	2019Heo6815 Rejection (Trademark)
<b>Plaintiff</b>	A Thailand Representative: B Counsel for Plaintiff Patent Attorney in charge Wonyong PARK
<b>Defendant</b>	Commissioner of Korea Intellectual Property Office Counsel for Defendant Seungho RYU
<b>Date of Closing Argument</b>	January 29, 2020
<b>Decision Date</b>	March 20, 2020

**ORDER**

1. The IPTAB Decision 2018Won1797 dated August 22, 2019 shall be revoked.
2. The cost arising from this litigation shall be borne by the defendant.

**ORDER**


As ordered.

## OPINION

### 1. Background

#### A. Plaintiff's Claimed Trademark (hereinafter, the "Subject Trademark")

- ☐ Application Number/ filing date of application: 40-2017-0093728/ July 25, 2017

- ☐ Composition: 

- ☐ Designated goods:

Goods under Class 30 of the Korean Classification of Goods: Tinned beverages with coffee, roasted coffee, instant coffee, coffee beans, black coffee, powdered coffee, iced coffee, fresh coffee, espresso coffee, coffee beverages, beverages with a coffee base, beverages mixed with coffee, coffee beans, cocoa beverages, chocolate beverages, tea beverages, drinks with a chocolate base, beverages with a tea base, cocoa-mixed beverages, chocolate-mixed beverages, tea-mixed beverages, sugar for food, honey, natural seasoning drinks, chocolate syrup, coffee-based drinks containing milk, chocolate powder, concentrated coffee liquid, cocoa powder for cocoa beverages

Services under Class 43 of the Korean Classification of Services: Services for providing food and drink, self-services for providing food and drink, distribution of food and drink, catering, café business

#### B. Prior-registered Marks<sup>1)</sup> and Earlier-filed Mark

- 1) Prior-registered trademark 1 (Plaintiff's Exhibit 10)

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1) The prior-registered marks 1 through 4 are "service marks." However, in this paper, they are referred to as "prior-registered marks" collectively for convenience.

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- Filing date of application/ date of registration/ registration date of extension/ registration number: December 29, 2006/ December 24, 2007/ December 5, 2017/ No. 0158477

**아마존**

- Composition: **Amazon**
- Designated services  
Snack bar operation, chicken restaurant franchise, restaurant franchise, food brokerage, Korean restaurant operation, and restaurant operation under Class 43 of the Korean Classification of Services
- Service Mark Right Holder: C

2) Prior-registered trademark 2

- Filing date of application/ date of registration/ registration number: December 6, 2007/ July 1, 2009/ No. 187245

**amazon**  
**fresh**


- Composition:
- Designated Services: As listed in [Annex 1].
- Service Mark Right Holder: D

3) Prior-registered trademark 3

- Filing date of application/ date of registration/ registration date of extension/ registration number: September 17, 1999/ October 5, 2001/ October 4, 2011/ Service Mark Registration Number: 70633
- Composition: **AMAZON.COM**
- Designated Services: As listed in [Annex 2].


- ☐ Service Mark Right Holder: D

4) Prior-registered trademark 4


- ☐ Filing date of application/ date of registration/ registration date of extension/ registration number: July 12, 2000/ May 10, 2002/ April 2, 2012/ No. 75713
- ☐ Composition: 
- ☐ Designated Services: As listed in [Annex 3].
- ☐ Service Mark Right Holder: D

5) Prior-registered trademark 5 (Plaintiff's Exhibit 6)

- ☐ Filing date of application/ date of registration/ registration number: January 22, 2015/ December 30, 2015/ No. 1151424

- ☐ Composition: 
- ☐ Designated Goods  
Goods under Class 29 of the Korean Classification of Goods: Oils for food, fats for food, sesame oil, processed oils for food, processed milk, processed vegetables  
Goods under Class 30 of the Korean Classification of Goods: Milled grain, grain powder for food, processed cereal, processed grain food, snack with a cereal base, flour-milling food, flour-milling products, flour-based paste, cereal preparations, tea extract
- ☐ Trademark Right Holder: E

6) Earlier-filed trademark

- ☐ Filing date of application/ date of registration/ registration number: January 5, 2017/ December 26, 2017/ No. 1316173
- ☐ Composition: 

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- Designated Goods: As listed in [Annex 4].
- Trademark Right Holder: D

### C. IPTAB Decision

1) On December 5, 2017, an examiner of the Korea Intellectual Property Office (hereinafter, the “KIPO”) issued a notice of grounds for rejection, stating that: (1) the Subject Trademark is identical or similar to the prior-registered trademarks that were filed prior to the Subject Trademark in mark and designated goods, thereby falling under Article 34(1)(vii) of the Trademark Act; (2) the Subject Trademark is identical or similar to the earlier-filed trademark in mark and designated goods, thereby falling under Articles 35(1) or 34(1)(vii) of the Trademark Act; and (3) name of the designated goods bearing the Subject Trademark are improperly named or classified incorrectly, thereby falling under Article 38(1) of the Trademark Act.

2) On February 1, 2018, the plaintiff submitted a written opinion and amendment in response to the said reasons for rejection. However, the KIPO examiner issued a rejection decision on March 27, 2018, stating that while the grounds for rejection under Article 38(1) of the Trademark Act were resolved, the grounds for rejection under Article 34(1)(vii) of the same Act were not resolved.

3) On April 26, 2018, the plaintiff requested a trial with the Intellectual Property Trial and Appeal Board (hereinafter, the “IPTAB”) seeking revocation of the rejection decision as Case No. 2018Won1797, but the IPTAB, On August 22, 2019, rendered a decision, dismissing the plaintiff’s claim on the grounds that “The Subject Trademark is identical or similar to the prior-registered trademarks and the earli-filed trademark (hereinafter, collectively the “Subject Prior-Registered Trademarks”) in sound, mark, and designated

goods thereof, thereby falling under Article 34(1)(vii) of the Trademark Act and thus not being granted trademark registration.”

[Factual Basis] Undisputed facts, statements in Plaintiff’s Exhibits 1 through 4, 6, and 10, and the purport of the overall argument

## **2. Whether IPTAB Erred**

### **A. Relevant Law**

Similarity of trademarks must be determined based on whether there is likelihood of confusion as to the source of the goods among ordinary consumers or traders when the impression, memory or association created by the appearance, sound, and meaning of the two trademarks used in identical or similar goods are observed in a comprehensive and objective manner by recollection. Meanwhile, a trademark combining more than one letter is not always sounded or conceived by the entire components’ sound or shape but may be sounded or conceived simply by the prominent part of the components in limited cases where it is common sense to observe each component separately under social norms. If it is unnatural to observe the component separately in a transaction, or a mark has a unique meaning by combining two letters, similarity shall be determined under the principle of observing the trademark in its entirety (see Supreme Court Decision, 98Hu2382, dated July 23, 1999, Supreme Court Decision, 2008Hu5168, dated April 23, 2009). Article 33(1)(iv) of the Trademark Act stipulates that a trademark consisting solely of a conspicuous geographical name, the abbreviation thereof, or a map shall not obtain a trademark registration. Distinctiveness of such trademarks cannot be acknowledged because of how significant and well-known it is and therefore the aforementioned Article purports to refrain from granting an exclusive license to only a specific individua

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(see Supreme Court Decision, 2015Hu1454, dated June 21, 2018). As the above legislative purpose should be respected in determination of similarity, the part corresponding to well-known geographical terms in a trademark's composition should be considered nondistinctive, unless that part creates a new concept different from the well-known geographical terms or forms a new distinctiveness by combining with other parts.



### B. Whether Mark of Subject Trademark is similar to Prior-Registered Trademarks

#### 1) Comparison by Appearance

Subject Trademark	Prior-Registered Trademark 1	Prior-Registered Trademark 2	Prior-Registered Trademark 3
			AMAZON.COM
Prior-Registered Trademark 4	Prior-Registered Trademark 5	Earlier-Filed Trademark	
		AMAZON PRIME	

As shown in the above comparison table, the Subject Trademark has a black oval-shaped background filled with green leaves, an image depicting a parrot, and a word “Café” in white at the top. At the bottom, a somewhat patterned orange word “Amazon” is placed.

On the other hand, the prior-registered trademark 1 has a somewhat patterned word “amazon” in Korean and a non-patterned English word “Amazon” underneath it, arranged in parallel in two lines. The prior-registered trademark 2 has an English word “amazon” with the

letter “o” being replaced with a shape of radish at the first line, and the second line comprising a shape “” and an English word “fresh.” The prior-registered trademark 3 comprises only undesigned English words “AMAZON.COM.” The prior-registered trademark 4 comprises undesigned English words “amazon.com” and a shape “” underneath the words. The prior-registered trademark 5 comprises English words “Amazon andes” in two lines at the top and an image of the mountain range at the bottom inside a red oval border. The earlier-filed trademark comprises undesigned English words “AMAZON PRIME.”

The Subject Trademark and the Subject Prior-Registered Trademarks have a common feature: they include an English word “amazon.” However, the “AmazoN” part of the Subject Trademark is with little or no distinctiveness because “amazon” and its Korean transliteration correspond to a well-known geographical term. Moreover, the letter “Café” lacks distinctiveness on the designated goods, and therefore, each word cannot be deemed an essential part of the Subject Trademark. For the same reasons, the English word “amazon” and its Korean transliteration in the Subject Prior-Registered Trademarks lack distinctiveness unless there are exceptional circumstances, such as they have acquired distinctiveness based on use.

In comparing the appearance of the Subject Trademark and the Subject Prior-Registered Trademarks, we must refer to the basic principle that the determination shall be based on comparison as a whole. When comparing the appearance, the presence of an image, shape, letters, font, and the number of letters vary, and therefore, they are not considered to be similar.

## 2) Comparison of sound and meaning

According to the following facts and circumstances recognized in light of the statements in Plaintiff’s Exhibits 5 through 76 and Defendant’s Exhibits 1 through 6 and the purport of the overall

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argument, the Trademark at Issue is likely to be pronounced as “Café Amazon” or “Amazon Café,” while the Subject Prior-Registered Trademarks 1 through 5 would be pronounced as “Amazon,” “Amazon Fresh (or Amazon),” “Amazon dot com,” “Amazon dot com,” and “Amazon Prime,” respectively. Therefore, the name and meaning of the Subject Trademark are not similar to those of the Subject Prior-Registered Trademarks.

### A) Sound and meaning of the Subject Trademark

To sum the following facts and circumstances, the letter part, “AmazoN,” of the Subject Trademark’s components is with little or no distinctiveness as it corresponds to a well-known geographical term. Many trademarks, registered or filed for registration, contain the same letter part on the designated goods similar or identical to those bearing the Subject Trademark. Furthermore, the letter part “Café” of the Subject Trademark is also with little or no distinctiveness on the designated goods. It is considered that there is no inconvenience to pronounce the Subject Trademark with its entire letter parts.

In light of the above, although the letter part of the Subject Trademark may be distinguished by “AmazoN” and “Café” visually, consumers and traders are likely to call or recognize the Subject Trademark as “Café Amazon” or “Amazon Café,” not as “AmazoN” alone.

(1) Amazon is the name of the world’s longest river in northern South America, flowing from the Andes Mountains into the Atlantic. It is also the name of the tropical rain forest area in which the river is located, and that area is well known as “the lungs of the planet.” Because it is well known around the world, it is reasonable to say that Amazon (or [a-ma-zon] phonetic notation for Amazon in Korean) corresponds to a well-known geographical term that refers to the Amazon River in South America or the rain forest area around it. The term shall not be treated in a different way just because it has other meanings, including (1) a tribe of warrior women in Greek

mythology, (2) tall, muscular female athletes, (3) stealing well-established competitors' business through online preemption, or because Amazon.com, Inc., a US company, has acquired distinctiveness based on the use of the “AMAZON” mark in its online shopping mall operation as described below.

(2) Before the filing date of application or the registration date of the Trademark at Issue, the following marks containing the word “Amazon” (or [a-ma-zon] phonetic notation for Amazon in Korean) on the designated goods similar or identical to those bearing the Trademark at Issue were filed for application or registered, in addition to the Subject Prior-Registered Trademarks 1 and 5.

Trademark	Designated Goods	Trademark	Designated Goods
<b>아마존 시크릿</b> <b>Amazon Secret</b> (No. 1025430)	Green tea, tea, tea-based beverage, among others	<b>밀림왕국아마존</b> (No. 713490)	Chocolate drinks, coffee drinks, cocoa drinks, coffee, among others
 <b>AMAZON AÇAÍ</b> 아 마 존 아 사 이 (No. 807564)	Fruit-flavored drinks (limited to those using Acai berry of the Amazon area in Brazil) and others	<b>브레스 오브 아마존</b> <b>(Breath of Amazon)</b> (No. 986266)	Fruit powder for drinks and others
<b>Real Amazon</b> <b>리얼 아마존</b> (No. 1085424)	Fruit powder for drinks and others		



(3) The term “café” is an English word referring to “a place to have a drink or snack.” In light of the knowledge level regarding English in Korea, the “café” part of the Subject Trademark has little or no distinctiveness. It is intuitively believed to be a designated service or place to provide the designated goods bearing the Subject Trademark.

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(4) Even if the Subject Trademark is called “Café Amazon” or “Amazon Café” by the whole letter parts, it has only five syllables, and there is no final consonant except for the “Zone” part. Therefore, it is considered that there is no particular inconvenience in calling it by the whole letter parts.

(5) The defendant argues that the “Amazon” part of the Subject Trademark constitutes an essential part because it has been an indicator of the source of goods for Amazon.com, Inc., a global e-commerce firm whose headquarters are located in Washington, US, and its distinctiveness was acquired based on use.

“Article 33(2) of the Trademark Act states, “Even if a trademark falls under any of paragraph (1) 3 through 6, where such trademark is recognizable to consumers as a trademark indicating the source of goods of a specific person as a result of using the trademark before applying for trademark registration, trademark registration may be granted limited to the goods on which such trademark is used.” A mark that acquires distinctiveness based on use is the one in actual use, and products that acquire distinctiveness by use are limited to those bearing the trademark” (Ssee upreme Court Decision, 2005Hu339, dated May 12, 2006, Supreme Court Decision, 2005Hu1356, dated November 23, 2006).

However, from the defendant’s evidence, especially the statements in Defendant’s Exhibits 5 and 6 and the purport of the overall argument, it is only recognized that Amazon.com, Inc., a company founded in Seattle in the United States in 1994, has been using the mark, , that is practically identical to the prior-registered trademark 4, , as an indicator of the source in operating an online shopping mall where various goods are traded, including books, and it has applied for the registration of the earlier-filed trademark and registered the prior-registered trademarks 2, 3 and 4 in Korea.

Even if it is recognized that the trademarks of Amazon.com, Inc.

have acquired distinctiveness based on use as argued by the defendant, such distinctiveness should be limited to the prior-registered trademark 4, which was acquired based on use in the operation of a general online shopping mall business. Furthermore, there is no data to suggest that the prior-registered trademarks 2, 3, and 4 or other marks identical thereto have acquired distinctiveness based on use on any of the designated goods bearing the Subject Trademark.

As such, as long as there is no data to suggest that the prior-registered trademarks 2, 3, and 4 or other marks identical thereto have acquired distinctiveness based on use on any of the designated goods identical to those bearing the Subject Trademark (besides, even if a mark identical to the prior-registered trademarks 3 and 4 has acquired distinctiveness based on use, the acquisition concerns the whole letter parts, “amazon.com,” not just the “amazon” part when it is used alone as there is no data to suggest that the “amazon” part has acquired distinctiveness based on use), it is not considered that the “AmazonN” part of the Subject Trademark constitutes an essential part. The defendant’s argument above is without merit.

#### B) Sound and meaning of the Subject Prior-Registered Trademarks


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(1) The prior-registered trademark 1, *Amazon*, is conceived and called “amazon.”

(2) Given the following facts and circumstances, the prior-registered trademarks 2, 3, 4, and 5 and the earlier-filed trademark are likely to be conceived and called by their entire letter parts because each of their letter parts has little or no distinctiveness. However, there is a possibility that the prior-registered trademark 2 may be called “amazon” because its letter part is visibly outstanding, and the letter part, “amazon fresh,” has six syllables comprising two separable words.


① The “amazon” or “AMAZON” part of the prior-


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registered trademarks 2, 3, and 4 and the earlier-filed trademark is with no distinctiveness as it corresponds to a well-known geographical term as mentioned earlier. (Although it may be recognized that the mark identical to the prior-registered trademark 4 has acquired distinctiveness based on use on some of the designated services in operating the aforementioned online shopping mall, the evidence present at the hearing is insufficient to admit so.) As for the prior-registered trademark 2, , it cannot be seen differently even if the “amazon” part in the upper line occupies a larger proportion of the whole than the other part, and the “o” part is designed in a radish shape to draw attention.

② In addition, the “fresh” part in the second line of the prior-registered trademark 2 is with little or no distinctiveness as it is an English word without exclusive adaptability in light of the knowledge level regarding English in Korea.

③ The “.COM” and “.com” parts of the prior-registered trademarks 3 and 4 are with little or no distinctiveness and have no exclusive adaptability because they refer to a generic top-level domain meaning “company.”

④ The “PRIME” part of , the earlier-filed trademark, is with little or no distinctiveness. It is an English word meaning “first in rank, authority, or significance, or outstanding,” without exclusive adaptability in light of the knowledge level regarding English in Korea.

⑤ The “Amazon” part of the prior-registered trademark 5, , is without distinctiveness. It is a well-known geographical term as mentioned earlier. The “andes” part is also without distinctiveness because it is a well-known English geographical term referring to the Andes.

### 3) Summary of Analysis

As observed above, the Subject Trademark is not similar to the Subject Prior-Registered Trademarks not only in appearance but also in sound and meaning.

### C. Summary of Discussion

Without examining whether the designated goods are identical or similar, the Subject Trademark does not fall under Article 34(1)(vii) of the Trademark Act in the relationship with the Subject Prior-Registered Trademarks because the mark is not similar to the Subject Prior-Registered Trademarks. The IPTAB erred in its decision, and therefore, its decision inconsistent with the above shall be revoked.

### 3. Conclusion

The plaintiff's petition to revoke the IPTAB Decision is well grounded and therefore shall be granted as ordered.

Presiding Judge	Seungryul SEO
Judge	Yunhyung JEONG
Judge	Donggyu KIM

[Annex 1]

### **Designated Services Bearing Prior-Registered Trademark 2**

- Services under Class 35 of the Korean Classification of Services, including retail store services via online featuring frozen vegetables, processed/preserved vegetables (other than those frozen) and fruits (other than those frozen), frozen fruits, meat, eggs, processed meat and processed meat products, milk-processed food products, butter, oils for food, fats, and food products made from oil and fat, fish and shellfish (not alive; including those frozen or preserved with salt), fish and shellfish (preserved) and food products made from fish and shellfish, processed grains and cereal-based processed products, confectionery and bread, sugar for food, sauces, chemical seasoning, seasoning, salt for food, tea, coffee and cocoa, tea-based beverages and tea beverages, grains, fresh vegetables, fresh fruits, fresh seaweed, soft drinks, mineral water and bottled water, beer, cotton for medical purposes, books, computer or computer software; preparations for making effervescent beverages, vegetable-based beverages, and fruit-based beverages; medical dressings; adhesive plasters for medical use and medicated diapers; retail store services featuring frozen vegetables, processed vegetable products / preserved vegetables (other than those frozen) / food products made primarily from fruits / preserved fruits (other than those frozen), frozen fruits, meat, eggs, processed meat and processed meat products, milk-processed food products, butter, oils for food and fats and food products made from oil and fat, fish and shellfish (not alive; including those frozen or preserved with salt), seaweeds for food (preserved) and processed seaweed products, fish and shellfish (preserved) and food products made from fish and shellfish, processed grains and cereal-based processed products, confectionery and bread, sugar for food, sauces, chemical seasoning, seasoning, salt for food, tea, coffee and cocoa, tea-based beverages and tea

beverages, grains, fresh vegetables, fresh fruits, fresh seaweed, mineral water and bottled water, soft drinks, beer; preparations for making effervescent beverages, vegetable-based beverages, and fruit-based beverages; wholesale store services featuring frozen vegetables, processed vegetable products, preserved vegetables (other than those frozen), and food products made primarily from fruits and preserved fruits (other than those frozen), frozen fruits, meat, eggs, processed meat and processed meat products, milk processed food products, butter, oils for food, fats, and food products made from oil and fat, fish and shellfish (not alive; including those frozen or preserved with salt), seaweeds for food (preserved) and processed seaweed products, fish and shellfish (preserved) and food products made from fish and shellfish, processed grains and cereal-based processed products, confectionery and bread, sugar for food, sauces, chemical seasoning, seasoning, salt for food, tea, coffee and cocoa, tea-based beverages and tea beverages, grains, fresh vegetables, fresh fruits, fresh seaweed, soft drinks, mineral water and bottled water, beer; preparations for making effervescent beverages, vegetable-based beverages, and fruit-based beverages

- Delivery of goods using automobile, truck, or van Services under Class 39 of the Korean Classification of Services. End of Document.

[Annex 2]

### **Designated Services Bearing Prior-Registered Trademark 3**

- Services under Class 35 of the Korean Classification of Services, including commercial intermediary service in the field of printed matters, prerecorded music discs, toys, games, electric machines and apparatus for general use, sportswear, footwear, headwear, fashion accessories, electronic application machine and equipment, photographic machines and apparatus, musical instruments and parts of musical instruments, processed vegetables, processed fruits, meat, milk products, soft drinks, beer, alcoholic drinks, photographs, stationery, jewelry, watches and parts of watches, automobiles and parts of automobiles, metalworking machines and tools, hand-operated tools, measuring machines and instruments, machines and devices for physics, chemicals, soaps, perfumery, cosmetics, paints, adhesives for industrial purposes, preservatives, leather, imitations of leather, bags and substitutes of bags, umbrellas, canes, horse-riding gear, building materials, furniture, textiles, indoor decoration of textiles, smoking herbs (for nonmedical purposes), smokers' articles, fresh fruits, plants, pharmaceuticals, plastic boxes, plaster of plastic, lights, steel, pots, tableware, heaters, cosmetic utensils, textile yarns, computer software and downloadable computer software, games and play devices, and electronic publications available on a global computer network; sales arranging of printed matters, prerecorded music discs, toys, games, electric machines and apparatus for general use, sportswear, footwear, headwear, fashion accessories, electronic application machine and equipment, photographic machines and apparatus, musical instruments and parts of musical instruments, processed vegetables, processed fruits, meat, milk products, soft drinks, beer, alcoholic drinks, photographs, stationery, jewelry, watches and parts of watches, automobiles and parts of automobiles, metalworking machines and tools, hand-operated tools,

measuring machines and instruments, machines and devices for physics, chemicals, soaps, perfumery, cosmetics, paints, adhesives for industrial purposes, preservatives, leather, imitations of leather, bags and substitutes of bags, umbrellas, canes, horse-riding gear, building materials, furniture, textiles, indoor decoration of textiles, smoking herbs (for nonmedical purposes), smokers' articles, fresh fruits, plants, pharmaceuticals, plastic boxes, plaster of plastic, lights, steel, pots, tableware, heaters, cosmetic utensils, textile yarns, computer software and downloadable computer software, games and play devices, and electronic publications available on a global computer network; computerized research services in the field of printed matters, prerecorded music discs, toys, games, electric machines and apparatus for general use, sportswear, footwear, headwear, fashion accessories, electronic application machine and equipment, photographic machines and apparatus, musical instruments and parts of musical instruments, processed vegetables, processed fruits, meat, milk products, soft drinks, beer, alcoholic drinks, photographs, stationery, jewelry, watches and parts of watches, automobiles and parts of automobiles, metalworking machines and tools, hand-operated tools, measuring machines and instruments, machines and devices for physics, chemicals, soaps, perfumery, cosmetics, paints, adhesives for industrial purposes, preservatives, leather, imitations of leather, bags and substitutes of bags, umbrellas, canes, horse-riding gear, building materials, furniture, textiles, indoor decoration of textiles, smoking herbs (for nonmedical purposes), smokers' articles, fresh fruits, plants, pharmaceuticals, plastic boxes, plaster of plastic, lights, steel, pots, tableware, heaters, cosmetic utensils, textile yarns, computer software and downloadable computer software, games and play devices, and electronic publications; computerized ordering services in the field of printed matters, prerecorded music discs, toys, games, electric machines and apparatus for general use, sportswear, footwear, headwear, fashion accessories, electronic application machine and equipment, photographic machines and apparatus,

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musical instruments and parts of musical instruments, processed vegetables, processed fruits, meat, milk products, soft drinks, beer, alcoholic drinks, photographs, stationery, jewelry, watches and parts of watches, automobiles and parts of automobiles, metalworking machines and tools, hand-operated tools, measuring machines and instruments, machines and devices for physics, chemicals, soaps, perfumery, cosmetics, paints, adhesives for industrial purposes, preservatives, leather, imitations of leather, bags and substitutes of bags, umbrellas, canes, horse-riding gear, building materials, furniture, textiles, indoor decoration of textiles, smoking herbs (for nonmedical purposes), smokers' articles, fresh fruits, plants, pharmaceuticals, plastic boxes, plaster of plastic, lights, steel, pots, tableware, heaters, cosmetic utensils, textile yarns, computer software and downloadable computer software, games and play devices, and electronic publications; online retail distributorship services featuring printed matters, prerecorded music discs, toys, games, electric machines and apparatus for general use, sportswear, footwear, headwear, fashion accessories, electronic application machine and equipment, photographic machines and apparatus, musical instruments and part of musical instruments, processed fruits, processed vegetables, meat, milk products, soft drinks, beer, alcoholic drinks, photographs, stationery, jewelry, watches and parts of watches, automobiles and parts of automobiles, metalworking machines and tools, hand-operated tools, measuring machines and instruments, machines and devices for physics, chemicals, soaps, perfumery, cosmetics, paints, adhesives for industrial purposes, preservatives, leather, imitations of leather, bags and substitutes of bags, umbrellas, canes, horse-riding gear, building materials, furniture, textiles, indoor decoration of textiles, smoking herbs (for nonmedical purposes), smokers' articles, fresh fruits, plants, pharmaceuticals, plastic boxes, plaster of plastic, lights, steel, pots, tableware, heaters, cosmetic utensils, textile yarns, computer software and downloadable computer software, games and play devices, and

electronic publications; online wholesale distributorship services featuring printed matters, prerecorded music discs, toys, games, electric machines and apparatus for general use, sportswear, footwear, headwear, fashion accessories, electronic application machine and equipment, photographic machines and apparatus, musical instruments and parts of musical instruments, processed vegetables, processed fruits, meat, milk products, soft drinks, beer, alcoholic drinks, photographs, stationery, jewelry, watches and parts of watches, automobiles and parts of automobiles, metalworking machines and tools, hand-operated tools, measuring machines and instruments, machines and devices for physics, chemicals, soaps, perfumery, cosmetics, paints, adhesives for industrial purposes, preservatives, leather, imitations of leather, bags and substitutes of bags, umbrellas, canes, horse-riding gear, building materials, furniture, textiles, indoor decoration of textiles, smoking herbs (for nonmedical purposes), smokers' articles, fresh fruits, plants, pharmaceuticals, plastic boxes, plaster of plastic, lights, steel, pots, tableware, heaters, cosmetic utensils, textile yarns, computer software and downloadable computer software, games and play devices, and electronic publications; providing access to online directories, indices, and searchable databases relating to various information and data available on a global computer network; dissemination of advertising for others via an online electronic communications network; providing an online searchable database for the sale of goods and services of others; providing an online searchable ordering guide for locating, organizing, and presenting goods and services of other online vendors; database aggregation services; database integration services; database management services; providing an interactive computer database featuring automatically updating address book, personal planner, date reminder, travel planner, and alumni and professional group links via a global computer network; providing online interactive computer software for managing, viewing, and editing information such as event scheduling, address books, and

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other personal and professional contact information, searching information, sites, and resources located on computer networks for others; retrieving information, sites, and resources located on computer networks for others; providing a wide range of general interest information via a computer network; directory services to help locate people, places, organizations, phone numbers, network home pages, and electronic mail addresses; auction services; sales agency services for printed matters, prerecorded music discs, toys, games, electric machines and apparatus for general use, sportswear, footwear, headwear, fashion accessories, electronic application machine and equipment, photographic machines and apparatus, musical instruments and parts of musical instruments, processed vegetables, processed fruits, meat, milk products, soft drinks, beer, alcoholic drinks, photographs, stationery, jewelry, watches and parts of watches, automobiles and parts of automobiles, metalworking machines and tools, hand-operated tools, measuring machines and instruments, machines and devices for physics, chemicals, soaps, perfumery, cosmetics, paints, adhesives for industrial purposes, preservatives, leather, imitations of leather, bags and substitutes of bags, umbrellas, canes, horse-riding gear, building materials, furniture, textiles, indoor decoration of textiles, smoking herbs (for nonmedical purposes), smokers' articles, fresh fruits, plants, pharmaceuticals, plastic boxes, plaster of plastic, lights, steel, pots, tableware, heaters, cosmetic utensils, textile yarns, computer software and downloadable computer software, games and play devices, and electronic publications; sales arranging of printed matters, prerecorded music discs, toys, games, electric machines and apparatus for general use, sportswear, footwear, headwear, fashion accessories, electronic application machine and equipment, photographic machines and apparatus, musical instruments and parts of musical instruments, processed vegetables, processed fruits, meat, milk products, soft drinks, beer, alcoholic drinks, photographs, stationery, jewelry, watches and parts of watches, automobiles and

parts of automobiles, metalworking machines and tools, hand-operated tools, measuring machines and instruments, machines and devices for physics, chemicals, soaps, perfumery, cosmetics, paints, adhesives for industrial purposes, preservatives, leather, imitations of leather, bags and substitutes of bags, umbrellas, canes, horse-riding gear, building materials, furniture, textiles, indoor decoration of textiles, smoking herbs (for nonmedical purposes), smokers' articles, fresh fruits, plants, pharmaceuticals, plastic boxes, plaster of plastic, lights, steel, pots, tableware, heaters, cosmetic utensils, textile yarns, computer software and downloadable computer software, games and play devices, and electronic publications; advertising services provided online from database and global computer networks (Internet including websites); sales promotion services provided online from database and global computer networks (Internet including websites); providing information about advertising and promotion services provided online from database and global computer networks (Internet including websites); compilation of advertisements for use as web pages on a global computer network (Internet); providing business information online from database and global computer networks (Internet); electronic and computer-mediated sales agency services for gramophones, prerecorded music, and DVD; electronic and computer-mediated sales arranging of gramophones, prerecorded music, video, and DVD; conducting market surveys; conducting market research surveys; cost price analysis; radio advertising; TV advertising; rental of advertising space; sales promotion services; distribution of samples; providing an online commercial information directory; providing a searchable online advertising guide featuring the goods and services of other online vendors; consulting services in the field of designing, opening, hosting, maintenance, operation, management, advertising, and marketing of online commerce sites; technical assistance services in the field of designing, opening, hosting, maintenance, operation, management, advertising, and marketing of

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online commerce sites; consultancy relating to demographics; services provided by a statistician; computer services, namely, creating indices of information, sites, and other resources available on global computer networks for others; providing information concerning professional and consumer electronic products. End of Document.

[Annex 3]

### **Designated Services Bearing Prior-Registered Trademark 4**

- Services under Class 35 of the Korean Classification of Services, including sales agency services for books, music, video tapes, audio cassettes, compact discs, floppy discs, CD-ROM, printed matters, gramophones, prerecorded music, toys, games, electric machines and apparatus for general use, garments, footwear, headwear, fashion accessories, electronic application machine and equipment, photographic machines and apparatus, musical instruments and parts of musical instruments, processed vegetables, processed fruits, meat, milk products, soft drinks, beer, wine, alcoholic drinks, photographs, stationery, jewelry, watches and parts of watches, automobiles and parts of automobiles, metalworking machines and tools, hand-operated and power tools, measuring machines and instruments, machines and devices for physics, chemicals, soaps, perfumery, cosmetics, paints, adhesives for industrial purposes, preservatives, leather, imitations of leather, bags and substitutes of bags, umbrellas, canes, horse-riding gear, building materials, furniture, textiles, indoor decoration of textiles, smoking herbs (for nonmedical purposes), smokers' articles, fresh fruits, plants, pharmaceuticals, plastic boxes, plaster of plastic, lights, steel, pots, tableware, heaters, cosmetic utensils, textile yarns, kitchen and household products, computer software, games and play devices, electronic publications, and greeting cards available on a global computer network; sales arranging of books, music, videotapes, audio cassettes, compact discs, floppy discs, CD-ROM, printed matters, gramophones, prerecorded music, toys, games, electric machines and apparatus for general use, garments, footwear, headwear, fashion accessories, electronic application machine and equipment, photographic machines and apparatus, musical instruments and parts of musical instruments, processed vegetables, processed fruits, meat, milk products, soft drinks, beer, wine,

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alcoholic drinks, photographs, stationery, jewelry, watches and parts of watches, automobiles and parts of automobiles, metalworking machines and tools, hand-operated and power tools, measuring machines and instruments, machines and devices for physics, chemicals, soaps, perfumery, cosmetics, paints, adhesives for industrial purposes, preservatives, leather, imitations of leather, bags and substitutes of bags, umbrellas, canes, horse-riding gear, building materials, furniture, textiles, indoor decoration of textiles, smoking herbs (for nonmedical purposes), smokers' articles, fresh fruits, plants, pharmaceuticals, plastic boxes, plaster of plastic, lights, steel, pots, tableware, heaters, cosmetic utensils, textile yarns, kitchen and household products, computer software, games and play devices, electronic publications, and greeting cards available on a global computer network; computerized searching services featuring general merchandise and general consumer goods; computerized ordering services featuring general merchandise and general consumer goods; online retail distributorship services featuring general merchandise and general consumer goods; online wholesale distributorship services featuring general merchandise and general consumer goods; providing access to online directories, indices, and searchable databases relating to various information and data available on a global computer network; dissemination of advertising for others via an online electronic communications network; providing an online searchable database for the sale of goods and services of others; providing an online searchable ordering guide for locating, organizing, and presenting goods and services of other online vendors; database aggregation services; database integration services; database management services; association services, namely, providing opportunities for the exchange of information and conversation regarding commerce, business, and buying through live events, mailed information, product reviews, and interaction on a global computer network; providing an interactive computer database featuring automatically updating address book, personal planner, date

reminder, travel planner, and alumni and professional group links via a global computer network; computer services, namely, providing multiple-user access to computer networks for the electronic transmission of various data, communications, documents, and personal and professional information; searching information, sites, and resources located on computer networks for others; retrieving information, sites, and resources located on computer networks for others; providing a wide range of general interest information via a computer network; directory services to help locate people, places, organizations, phone numbers, network home pages, and electronic mail addresses; auction services; sales agency services for books, music, videotapes, audio cassettes, compact discs, floppy discs, CD-ROM, printed matters, gramophones, prerecorded music, toys, games, electric machines and apparatus for general use, garments, footwear, headwear, fashion accessories, electronic application machine and equipment, photographic machines and apparatus, musical instruments and parts of musical instruments, processed vegetables, processed fruits, meat, milk products, soft drinks, beer, wine, alcoholic drinks, photographs, stationery, jewelry, watches and parts of watches, automobiles and parts of automobiles, metalworking machines and tools, hand-operated and power tools, measuring machines and instruments, machines and devices for physics, chemicals, soaps, perfumery, cosmetics, paints, adhesives for industrial purposes, preservatives, leather, imitations of leather, bags and substitutes of bags, umbrellas, canes, horse-riding gear, building materials, furniture, textiles, indoor decoration of textiles, smoking herbs (for nonmedical purposes), smokers' articles, fresh fruits, plants, pharmaceuticals, plastic boxes, plaster of plastic, lights, steel, pots, tableware, heaters, cosmetic utensils, textile yarns, kitchen and household products, computer software, games and play devices, and electronic publications; sales arranging of greeting cards, books, music, videotapes, audio cassettes, compact discs, floppy discs, CD-ROM, printed matters, gramophones, prerecorded music, toys,

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games, electric machines and apparatus for general use, garments, footwear, headwear, fashion accessories, electronic application machine and equipment, photographic machines and apparatus, musical instruments and parts of musical instruments, processed vegetables, processed fruits, meat, milk products, soft drinks, beer, wine, alcoholic drinks, photographs, stationery, jewelry, watches and parts of watches, automobiles and parts of automobiles, metalworking machines and tools, hand-operated and power tools, measuring machines and instruments, machines and devices for physics, chemicals, soaps, perfumery, cosmetics, paints, adhesives for industrial purposes, preservatives, leather, imitations of leather, bags and substitutes of bags, umbrellas, canes, horse-riding gear, building materials, furniture, textiles, indoor decoration of textiles, smoking herbs (for nonmedical purposes), smokers' articles, fresh fruits, plants, pharmaceuticals, plastic boxes, plaster of plastic, lights, steel, pots, tableware, heaters, cosmetic utensils, textile yarns, kitchen and household products, computer software, games and play devices, electronic publications, and greeting cards; advertising services provided online from database and global computer networks (Internet including websites); sales promotion services provided online from database and global computer networks (Internet including websites); providing information about advertising and promotion services provided online from database and global computer networks (Internet including websites); compilation of advertisements for use as web pages on a global computer network (Internet); providing business information online from database and global computer networks (Internet); bringing together for the benefit of others a wide variety of goods and services so others can conveniently view and purchase those goods and services; electronic and computer-mediated sales agency services for DVD; conducting market surveys; conducting of market research surveys; cost price analysis; radio advertising; TV advertising; rental of advertising space; sales promotion services; distribution of samples; providing an

online commercial information directory; providing a searchable online advertising guide featuring the goods and services of other online vendors; consulting services in the field of designing, opening, hosting, maintenance, operation, management, advertising, and marketing of online commerce sites; technical assistance services in the field of designing, opening, hosting, maintenance, operation, management, advertising, and marketing of online commerce sites; consultancy relating to demographics; services provided by a statistician; business administration; classified advertising services; business information services; computer services, namely, providing search engines for locating information, resources, and the websites of others on a global computer network. End of Document.

[Annex 4]

**Designated Goods and Services Bearing Earlier-Filed Trademark**

- Goods under Class 09 of the Korean Classification of Goods, including computer software for streaming, broadcasting, transmitting, distributing, reproducing, organizing and sharing music; audio, video, games, and other data; computer software for use in authoring, downloading, transmitting, receiving, editing, extracting, encoding, decoding, playing, viewing, storing, and organizing text; data, images, and audio and video files; computer software to enable users to view or listen to audio, video, text, and multimedia content; computer software for creating and providing user access to searchable databases of information and data; search engine software; computer software for wireless content delivery; computer software for accessing online information; computer software for online shopping; computer software for facilitating payments and online transactions; computer software that provides retail and ordering services for a wide variety of consumer goods; computer software for use in disseminating advertising for others; computer software for disseminating information regarding consumer product discounts; computer software for use in sharing information about products, services, and deals; computer software for use in barcode scanning and price comparison; computer software for scheduling shipping and deliveries; computer software for electronic storage of data; computer software for storing, organizing, editing, and sharing photos; computer software for image and speech recognition; computer software for home automation; computer software for purchasing, accessing, and viewing movies, TV shows, videos, music, and multimedia content; game software; Internet browser software; downloadable music files; magnetically encoded gift cards; downloadable movie files; downloadable TV show files; downloadable video files; downloadable digital media content;

- downloadable digital audio files featuring music recordings on various topics; downloadable digital audio files featuring news, voice, and spoken word recordings on various topics (nonmusic); downloadable books and e-books; downloadable audiobooks
- Goods under Class 16 of the Korean Classification of Goods, including paper gift cards, printed gift certificates, nonmagnetically encoded prepaid purchase cards, printed publications, paper
  - Goods under Class 35 of the Korean Classification of Goods, including subscription-based services featuring books, audiobooks, music, movies, TV shows, videos, and games; advertising; sales promotion through customer loyalty programs featuring rewards in the form of discounted shipping services; early access to retail discounts and offers; access to books and other publications; access to audiobooks; discounted online storage of photos and music, and discounted music; video and game streaming; merchandising services, namely, administration of a promotion program enabling participants to obtain discounts on shipping services; early access to retail discounts and offers; access to books and other publications; access to audiobooks; discounted online storage of photos and music, and discounted music, video, and game streaming to promote retail services of others; Internet shopping malls featuring a wide array of consumer goods; retail services provided by hypermarket services; online retail store services featuring audio recordings (music), audio recordings (nonmusic), downloadable video recordings (music), downloadable video recordings (nonmusic), spoken word recordings, downloadable electronic books, computer games software, preserved, frozen, dried, and cooked fruits and vegetables, fresh fruits and vegetables, flour and preparations made from cereals, meat, fish, milk products, drugs for medical purposes, soups, side dishes, eggs, food products made from oil and fat, processed seaweed products, seasoning, ice and ice creams, rice, bread, salt, sugar for food, tea, processed coffee, tea-based beverages, drinking water, toiletry preparations, cosmetics, cosmetics for animals, pet feeding and

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drinking bowls, preserved, frozen, dried, and cooked fruits and vegetables, fresh fruits and vegetables, flour and preparations made from cereals, meat, fish, milk products, soups, side dishes, eggs, food products made from oil and fat, processed seaweed products, seasoning, ice and ice creams, rice, bread, salt, sugar for food, tea, processed coffee, tea-based beverages, and drinking water; wholesale services featuring preserved, frozen, dried, and cooked fruits and vegetables, fresh fruits and vegetables, flour and preparations made from cereals, meat, fish, milk products, soups, side dishes, eggs, food products made from oil and fat, processed seaweed products, seasoning, ice and ice creams, rice, bread, salt, sugar for food, tea, processed coffee, tea-based beverages, and drinking water; arranging subscription-based audio and video broadcasting via a global computer network

- Services under Class 38 of the Korean Classification of Services, including video-on-demand transmission services; Internet protocol television (IPTV) transmission services; streaming of audio and video material on the Internet, data, music, movies, TV shows, and games; broadcasting services; audio and video broadcasting services; Internet broadcasting services; Internet radio broadcasting services; electronic data transmission; electronic transmission and streaming of digital media content for others via global and local computer networks; transmission of webcasts; transmission of digital files; electronic transmission of digital photo files; providing access to digital music websites on the Internet; providing access to online directories, databases, websites, blogs, and reference materials; transmission of news; delivery of messages by electronic transmission; electronic mail and messaging services; podcasting services; providing online chat lines; providing Internet chatrooms, forums, and electronic bulletin boards
- Services under Class 39 of the Korean Classification of Services, including transport services; providing a website featuring information in the field of transportation; freight transportation through truck,

train, and air; goods warehousing; packaging of articles for transport; merchandise packaging for others; rental of storage containers; mailbox rental; courier services; expedited shipping services; travel arrangement for others; travel booking agencies; providing a website featuring travel information and commentary; shipping services; delivery and storage of goods; locating and arranging for reservations for storage space for goods for others; message delivery services; delivery of messages by courier; transport of goods in the nature of providing online services that give customers the ability to select a distribution point for goods purchased on the Internet; membership-based shipping services; transportation information featuring the administration of a discount program enabling participants to obtain discounts on shipping services

- Services under Class 39 of the Korean Classification of Services, including the publication of printed matters, books, audiobooks, newspapers, and magazine and web magazine publishing; publishing of electronic publications; providing non-downloadable electronic publications; lending and rental of books, audiobooks, and other publications; providing non-downloadable videos, films, movies, and television shows via a video-on-demand service; film and video rental services; film, movie, TV show, and video production and distribution; creating and developing concepts for movies and television programs; audio and video recording services; providing online radio programming; digital audio, video, and multimedia publishing services; providing non-downloadable prerecorded music and audio; providing online information and commentary in the field of music and audio; presenting live musical concerts and performances; music production services; music publishing services; providing online video games; providing online non-downloadable game software; production of video and computer game software; rental of video games; entertainment services, namely, live performances by video game players, providing online videos featuring games being played by others, providing virtual

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environments in which users can interact for recreational, leisure, or entertainment purposes, and providing online virtual goods for use in virtual environments created for entertainment purposes; providing an online website portal for consumers to play online computer games and electronic games and share game enhancements and game strategies; arranging and conducting competitions and tournaments for video game players; organizing video gaming leagues; providing enhancements within online video games, namely, enhanced levels of game play; publishing of reviews; providing ratings and reviews of television, movies, videos, music, screenplays, scripts, books, and video game content; entertainment information; providing online news, information, and commentary in the field of entertainment; entertainment services, namely, profiling of musicians, artists, and bands; providing a subscription-based website featuring non-downloadable music, radio, movies, TV shows, videos, and information about music, albums, artists, and songs; arranging of contests and sweepstakes; radio, Internet, and television entertainment; entertainment information services; digital image photography services; editing of digital images; digital image processing services; providing a website featuring the ratings, reviews, and recommendations of users in the fields of theatrical, musical, television, radio, and film entertainment services; providing a website featuring the ratings, reviews, and recommendations of users in the field of education (education information); entertainment information via online blogs; hosting online sweepstakes for others

- Services under Class 42 of the Korean Classification of Services, including leasing and rental of computers and computer software; computer time-sharing services; computer co-location services, namely, providing facilities for the location of computer servers with the equipment of others; rental of computing and data storage facilities of variable capacity to third parties; computer diagnostic services; application service provider (ASP), namely, hosting computer software applications of others; providing temporary use of

non-downloadable computer software for streaming, broadcasting, transmitting, distributing, reproducing, organizing, and sharing music, audio, video, games, and other data; providing temporary use of non-downloadable computer software for use in authoring, downloading, transmitting, receiving, editing, extracting, encoding, decoding, playing, viewing, storing, and organizing text, data, images, and audio and video files; providing temporary use of non-downloadable computer software to enable users to view or listen to audio, video, text, and multimedia content; providing temporary use of non-downloadable computer software for creating and providing user access to searchable databases of information and data; providing temporary use of non-downloadable search engine software; providing temporary use of non-downloadable computer software for wireless content delivery; providing temporary use of non-downloadable computer software for accessing online information; providing temporary use of non-downloadable computer software for online shopping; providing temporary use of non-downloadable computer software for facilitating payments and online transactions; providing temporary use of non-downloadable computer software that provides retail and ordering services for a wide variety of consumer goods; providing temporary use of non-downloadable computer software for use in disseminating advertising for others; providing temporary use of non-downloadable computer software for disseminating information regarding consumer product discounts; providing temporary use of non-downloadable computer software for use in sharing information about products, services, and deals; providing temporary use of non-downloadable computer software for use in barcode scanning and price comparison; providing temporary use of non-downloadable computer software for scheduling shipping and deliveries; providing temporary use of non-downloadable computer software for electronic storage of data; providing temporary use of non-downloadable computer software for storing, organizing, editing, and sharing photos;

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providing temporary use of non-downloadable computer software for image and speech recognition; providing temporary use of non-downloadable computer software for home automation; providing temporary use of non-downloadable computer software for purchasing, accessing, and viewing movies, TV shows, videos, music, and multimedia content; electronic data storage; data backup and recovery services; hosting of digital content on the Internet; hosting, building, and maintaining websites; cloud hosting provider services; providing search engines; computer services, namely, creating computer network-based indexes of information, websites, and resources, hosting online web facilities for others for organizing and conducting online meetings, gatherings, and interactive discussions, uploading music and photos to the Internet for others, and creating an online community for registered users to participate in discussions, get feedback from their peers, form virtual communities, and engage in social networking services; publishing of game software; troubleshooting in the nature of diagnosing computer software problems (technical support services); file sharing services, namely, maintenance of a website featuring technology; enabling users to upload and download electronic files; creating websites featuring an online community for connecting video players, teams, and leagues and organizing game and sports activities; maintenance of a website featuring technology that creates personalized movies, TV shows, videos, and music channels for listening, viewing, and sharing. End of Document

**PATENT COURT OF KOREA**  
**FIRST DIVISION**  
**DECISION**

**Case No.** 2019Heo4871 Cancellation of Registration  
(Trademark)

**Plaintiff** A  
Counsel for Plaintiff  
Patent Attorney in Charge Sojeong LEE

**Defendant** B  
CEO C  
Counsel for Defendant Patent Attorney  
EunJoo KIM, Hohyeon NAM

**Date of Closing Argument** March 10, 2020

**Decision Date** April 2, 2020

**ORDER**

1. The plaintiff's claim is dismissed.
2. The cost arising from this litigation shall be borne by the plaintiff.

**PLAINTIFF'S DEMAND**

The decision rendered by the Intellectual Property Trial and Appeal Board on May 24, 2019, concerning the case numbered 2017DANG 3748HO shall be revoked.

## OPINION

### 1. Background

#### A. The Plaintiff's Registered Trademark (Plaintiff's Exhibit No. 1)


1) Registration number / filing date of application / date of registration / registration date of extension: 569052 / June 25, 2002 / December 17, 2003 / October 2, 2013

2) Mark at issue: **KUM KANG**

3) Designated Goods: children's clothing, jackets, infant clothing, short sleeved summer shirts, vests, T shirts, socks, socks' covers, stoles, and tights of 25 product categories

#### B. Trademarks in Actual Use Specified by the Defendant<sup>1)</sup>

1) Marks at issue:

Trademark in Actual Use 1	Trademark in Actual Use 2	Trademark in Actual Use 3	Trademark in Actual Use 4	Trademark in Actual Use 5
				






2) Product in use: socks

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1) Hereinafter collectively, 'Trademarks in Actual Use,' and when referring to each individual trademark in actual use, 'Trademark in Actual Use ○' as illustrated in the table below.

### C. Subject Trademarks<sup>2)</sup>


1) Marks at issue:


Subject Trademark 1	Subject Trademark 2	Subject Trademark 3	Subject Trademark 4	Subject Trademark 5
				
Defendant's Exhibit No. 5-9	Defendant's Exhibit No. 5-2	Defendant's Exhibit No. 3-2	Defendant's Exhibit No. 3-3	Defendant's Exhibit No. 3-4

2) Product in use: shoes, dress shoes

3) User: The defendant

### D. Circumstances of Previous Litigation and Settlement

1) When D<sup>3)</sup>, the previous person holding the trademark rights to the registered trademark, sold a product marked with the mark of , the defendant filed a suit for the prohibition of the use of mark against D under the case numbered 2002Gahap2148 at the Seoul Eastern District Court on April 3, 2002, and secured a partial cited decision on November 7, 2002, regarding which D filed an appeal, and the defendant withdrew the suit above on February 7, 2003.

2) Meanwhile, D filed a complaint against the defendant for violating the Trademark Act (infringement of trademark rights) in or about September 2002 when the defendant sold the socks labeled with the mark of .

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2) Hereinafter collectively, 'Subject Trademarks,' and when referring to each individual trademark in actual use, 'Subject Trademark ○' as illustrated in the table below.

3) D is the plaintiff's brother-in-law.

## PATENT COURT DECISIONS

In addition, the defendant and D petitioned for a trial of revocation and invalidation of the registered trademark against each other with the Intellectual Property Trial and Appeal Board.

3) The defendant and D agreed on January 27, 2003, to settle the dispute with each other as follows and executed a memorandum of understanding (Plaintiff's Exhibit No. 10; hereinafter, 'previous agreement').

### Agreement on the Use of Trademarks

Representative D of Textile Company D and the defendant have agreed as follows in order to guarantee the legally valid agreement and prevent recurrence of any unforeseen dispute in order to bring closure to the lawsuit concerning the use of the trademark in progress.

1. D and the defendant, when using the trademark associated with the scope of rights (hereinafter in this MOU, 'trademark B') for the registered trademark numbered 18032 of registration or B, to avoid misunderstanding and confusion of consumers, the use of trademark B shall be allowed only to D, the owner of the trademark rights, for the designated goods of the trademark rights numbered 18032 of registration (hereinafter in this MOU, 'designated goods').
2. D and the defendant agree to pursue the coexistence and co-prosperity of each other in principle to avoid misunderstanding and confusion of consumers when using trademark B for designated goods.
3. The defendant may use trademark B only for the designated goods supplied and sold by D in the future, in which event, the name of the defendant may be labeled in the contents of the mark affixed by the defendant.
4. Both sides shall withdraw all previous criminal charges, civil lawsuits, and trademark lawsuits, etc.  
(...Omitted...)
7. When transferring the trademark related to 'B,' including the registered trademark (Registration Number No. 18032), D shall make the defendant as the exclusive party for negotiation.  
(...Omitted...)

4) D died thereafter, and the plaintiff took the transfer of the trademark rights to the registered trademark from D's heir on February 7, 2013.

#### **E. IPTAB Decision & Progress of Relevant Decision**



1) On November 29, 2017, the defendant petitioned for the cancellation of registration against the plaintiff under the case numbered 2017DANG3748 with the Intellectual Property Trial and Appeal Board, reasoning that the registered trademark falls under Article 119(1)(1) of the Trademark Act (hereinafter, 'petition for trial of this case').

2) On May 24, 2019, the Intellectual Property Trial and Appeal Board reached its decision citing the petition for trial as in the above of the defendant, reasoning that the Plaintiff, as the person having the trademark rights for the registered trademark, intentionally used a trademark similar to the registered trademark, thereby causing confusion with the product related to the business of another by the general trading parties or consumers through the use of the trademark similar to the registered trademark for the designated goods, which falls under Article 119(1)(1) of the Trademark Act.

3) Meanwhile, the defendant petitioned for a trial of cancellation of registration, reasoning that, as illustrated in the table below, the plaintiff's alienated registered trademarks (hereinafter, 'the Plaintiff's alienated trademarks'; individually, 'the Plaintiff's alienated trademark ○') fall under Article 119(1)(1) of the Trademark Act, and also petitioned for a trial of invalidation of registration, reasoning that it falls under Articles 7(1)(10) through (12) of the old Trademark Act that before the full amendment into Law No. 14033 on February 29, 2016) concerning the registered trademark and the Plaintiff's alienated registered trademark, and the suits seeking to revoke related decisions

# PATENT COURT DECISIONS

are still pending at this court.

The Plaintiff's Alienated Registered Trademarks				
Name	The Plaintiff's Alienated Registered Trademark 1	Registered Trademark	The Plaintiff's Alienated Registered Trademark 2	The Plaintiff's Alienated Registered Trademark 3
Registration Number	18032	569052	598999	602977
Structure		KUM KANG	금강	
Filing Date of Application	1969. 5. 7.	2002. 6. 25.	2002. 6. 25.	2003. 8. 9.
Date of Registration	1969. 10. 15.	2003. 12. 17.	2004. 11. 10.	2004. 12. 15.
Documentary Evidence	Plaintiff's Exhibit No. 5-3	Plaintiff's Exhibit No. 5-11	Plaintiff's Exhibit No. 5-12	Plaintiff's Exhibit No. 5-13
Petition for a Trial of Cancellation of Registration & Suit for the Revocation of Decision				
Trial No.	2017DANG3745HO	The IPTAB decision	2017DANG3750HO	2017DANG3746HO
Trial Result	Cited	Cited	Cited	Cited
Case No. for Suit of Decision Revocation	2019HEO4857	Corresponding case	2019HEO4864	2019HEO4888
Petition for a Trial of Invalidation of Registration & Suit for the Revocation of Decision				
Trial No.	-	2017DANG3749HO	2017DANG3752HO	2017DANG3747HO
Trial Result	-	Dismissed	Dismissed	Dismissed
Case No. for Suit of Decision Revocation	-	2019HEO3755	2019HEO3779	2019HEO3762

[Factual Basis] Undisputed Facts, Statements of Plaintiff's Exhibits No. 1, 2, 4, 5, 10, 20, and 30, Defendant's Exhibits No. 3 through 5 (including extension numbers), and the Purport of the overall argument

## **2. Parties' Arguments and Questions Presented**

### **A. Summary of Plaintiff's Argument**

- 1) The defendant's petition for the trial of this case was made against the content of the previous agreement and constitutes an abuse of rights.
- 2) The registered trademark does not fall under Article 119(1)(1) of the Trademark Act for the following reasons.

A) The Trademarks in Actual Use specified by the defendant were all used by retailers who bought and sold products from the plaintiff, and the plaintiff, the manufacturer, did not use the same during the exclusion period.

B) The Trademarks in Actual Use were merely used for the designated goods within the scope of identity for the registered trademark or the Plaintiff's alienated trademarks.

C) The socks for which the Trademarks in Actual Use were used and the dress shoes for which the Subject Trademarks were used are non-similar to one another and are not related to each other either, so there is no possibility of misunderstanding or confusion as to the origin or source.

D) In addition, the Subject Trademarks may not be deemed to have been known widely as a source mark for consumers.

## **PATENT COURT DECISIONS**

E) For the plaintiff, the intention of the unlawful use is not recognized since, for the plaintiff, it was used at the time of or after the previous agreement.

- 3) E is merely a wholesaler who purchases and sells the plaintiff's products, and is not applicable as a person having the conventional right to use them. Therefore, the registered Trademark does not fall under Article 119(1)(2) of the Trademark Act, which requires it as a premise.

### **B. Summary of Defendant's Argument**

- 1) The plaintiff is not party to the previous agreement, so the previous agreement should not be effective, and even if the previous agreement is effective, the previous agreement's effect must be limited to the extent that no consumer confusion is caused, and thus, the defendant's petition for the trial of this case does not constitute an abuse of rights.

- 2) The registered trademark falls under Article 119(1)(1) of the Trademark Act for the following reasons.

A) The plaintiff admitted to the use of Trademarks in Actual Use on the first and second dates of pleading of this case. Furthermore, the socks which used the Trademark in Actual Use were sold through E during the exclusion period.

B) The Trademarks in Actual Use constitute similar trademarks whose identity is not recognized as that of the registered trademark.

C) The socks for which the Trademarks in Actual Use were used and the dress shoes for which the Subject Trademarks were used are recognized for their intimate relationship of economic connection, and thus, there are concerns that they may cause misunderstanding and confusion as to the source.

D) The Subject Trademarks are widely known as a source mark for the consumers through significant advertising and promotion.

E) The plaintiff not only used the same and similar Trademarks in Actual Use while knowing of the existence of the Subject Trademarks, but also filed Trademark in Actual Use 5, subject to a rejection for the reason of the possibility of misunderstanding and confusion as to the source in the relationship with the defendant's Subject Trademark from the Examiner of the Korean Intellectual Property Office. Therefore, the plaintiff, who continued to use the Trademarks in Actual Use even after the rejection above, had the intention for unlawful use.

- 3) E constitutes a person having the conventional right to use, licensed by the plaintiff for the registered trademark. Therefore, E used a Trademark in Actual Use similar to the registered trademark, thereby causing consumers to misunderstand and be confused about the source, and since the plaintiff did not pay significant attention to such fact, and thus the registered trademark is recognized as having a reason for revocation under Article 119(1)(2) of the Trademark Act.

### **C. Questions Presented**

Therefore, the Questions Presented are (1) whether the defendant's petition for trial for this case constitutes the abuse of rights, (2) whether the registered trademark fall under Article 119(1)(1) of the Trademark Act, and (3) whether the registered trademark falls under Article 119(1)(2) of the Trademark Act.

### **3. Whether Defendant's Petition for Trial Constitutes Abuse of Rights**

The plaintiff has registered and used trademarks such as 'B' since the 1950s and 1960s, and the defendant has sufficiently taken notice of such fact and, despite the previous agreement reached, claims that the petition for a trial of this case seeking the revocation of the registered trademark constitutes an abuse of rights.

Upon review, the following circumstances, as apparent through the evidence and the established facts, that is, considering the fact that the previous agreement was executed by and between the defendant and D, and is not considered to have any effect on the plaintiff (the plaintiff's evidence submitted alone is not adequate to admit the fact that the plaintiff is party to the previous agreement or that the previous agreement was effective, and there is no evidence to admit otherwise), the fact that it is difficult to deem that the previous agreement would have an effect on the case where the consumers are even more likely to misunderstand and be confused about the source of the product, and the fact that Article 119(1)(1) of the Trademark Act promotes the safety of product transactions and prevents any act of taking a free ride on the goodwill or reputation of another's trademarks, thereby protecting the interests of trading parties and consumers, as well as the business of those using other trademarks whereby it is a public interest policy aimed at protecting business goodwill and interests, circumstances such as the plaintiff's arguments alone could not be said to constitute an abuse of rights for the petition for a trial of this case. Therefore, the plaintiff's claim is dismissed.

#### **4. Applicability of Article 119(1)(a) of the Trademark Act**

##### **A. Relevant Law**

Article 119(1)(1) of the Trademark Act provides that ‘the cases in which the consumers are caused to misunderstand the quality of product or be confused about the product related to another’s business by the use of a trademark similar to the designated goods for the registered trademark or by the use of a trademark similar to the registered trademark for the designated goods intentionally by the person having trademark rights’ as the reason for revocation of the trademark registration. This in effect promotes the safety of product transactions by preventing the trademark holders from using their registered trademarks illegally beyond the scope of their license against the original purpose of the trademark system, and prevents others from attempting to take a free ride on the goodwill or reputation of others’ trademarks, as well as to protect the interests of trading parties and consumers, further to protect the business goodwill and interests of those who use other trademarks (refer to judgment en banc numbered 2002Hu1225 made on June 16, 2005, by the Supreme Court).

Here, in discussing whether there is a confusion between a trademark actually in use by a trademark holder and a trademark of another person, the appearance, name, and idea of each trademark must be objectively and entirely observed; however, the focus ought to be placed on the ultimate discussion criteria of the actual use whereby the extent to which the trademark has been modified from the registered trademark and where and how it is approximate to the trademark of another, the relationship between the trademark in actual use and the form in which the trademark of another is used in the product and the Product in Use, the duration and performance of each trademark and the extent known to general consumers, and as to whether any concerns exist as to the possibility of any misunderstanding and confusion as to the source of the product

## **PATENT COURT DECISIONS**

between the products of other trademarks through the use of the trademark (refer to judgment numbered 2012Hu2227 made on October 11, 2012, by the Supreme Court, and judgment numbered 2013Hu1214 made on October 15, 2015, by the Supreme Court, etc.).

Meanwhile, the confusion with products related to the business of others as specified under the provisions above might arise between the products of the same type and similar products as well as those of different type, and the trademarks subject to misunderstanding and confusion are not necessarily any known and prominent trademarks (refer to judgement numbered 89Hu2304 sentenced on September 11, 1990, by the Supreme Court, etc.).

In order to fall under Article 119(1)(1) of the Trademark Act, ① the trademark holder must use a similar trademark other than the same trademark as the registered trademark for the designated goods of the registered trademark, or must use a similar trademark or the registered trademark for the similar product other than the same product as the designated goods, and ② consequently, there must be concerns of misunderstanding about product quality or confusion with products related to another's business, and ③ the unlawful use of the registered trademark as above must be recognized to have been committed by the trademark holder's intention. These will be examined in order.

### **B. Whether Plaintiff Used Trademarks Similar to Registered Trademarks for Designated Goods**

#### **1) Whether plaintiff used Trademarks in Actual Use**

The fact that the plaintiff used the Trademarks in Actual Use for socks after the date of enforcement of the Trademark Act, which was amended in full on February 29, 2016, is not disputed by and between the parties (The plaintiff confessed the above facts on November 28, 2019, the first date of pleading, and December 19, 2019, the second date of pleading, and then argued with the purpose of cancelling it in

the brief dated January 15, 2020, thereafter, however, since there is no evidence to admit the fact that the confession made above deviates from the truth and was in error, and thus, the cancellation of the confession above is not effective. Even if the above cancellation of confession were effective, taking together the purport of the overall argument for each statement of Plaintiff's Exhibit No. 23-3, Defendant's Exhibit No. 20-1, 2, and Defendant's Exhibit No. 38-2, it is recognized that the plaintiff marked Trademark in Actual Use 2 for the packaging of socks, etc. even after the date of enforcement of the Trademark Act fully amended and transferred the same, which falls under the use of the trademark specified in Article 2(1)(11)(a) and (b) of the Trademark Act.).

2) Whether Trademarks in Actual Use are Similar to registered trademark



A) The Trademarks in Actual Use were modified to look the same or similar to those of others' trademarks (subject trademarks), and hence, if the concerns of misunderstanding or confusion as to the source of the product by the consumers have grown larger than the cases in which the registered trademarks were used as they were in the relationship with the subject trademarks, during the trial for the revocation of trademark registration by virtue of the unlawful use specified under Article 119(1)(1) of the Trademark Act, the use of the Trademarks in Actual Use may be deemed to be the use of a similar trademark as with the registered trademark (refer to judgment numbered 2012Hu1521 made on December 26, 2013, by the Supreme Court, etc.).





B) Specific discussion

(1) The mark of the registered trademark 'KUM KANG' is a letter mark structured only with 'KUM KANG,' which is written with a space in capital letters in English.

(2) Meanwhile, Trademark in Actual Use 1 is a letter

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mark in which only 'K' is capitalized without spaces in English, with 'KumKang' in white on a red background, as . This is due to the differing appearances of the registered trademark, capitalization and spacing, etc., yet their names are the same, and thus, they constitute similar marks. That is, since Trademark in Actual Use 1 has modified spacing, capitalization, and fonts, etc. relative to the registered trademark, the concerns of misunderstanding and confusion as to the source of the product by consumers grew larger than cases in which the registered trademark is used as it is in the relationship with , which is Subject Trademark 1.

(3) As for Trademarks in Actual Use 2 through 5, Hangul 'B' is marked inside diamond figures of , , , , of each different color, which take on the round shapes at the vertices on the left and right, and at the bottom are the combination marks labeled with capital letters for 'K' alone without spacing for 'KumKang' in English. Trademarks in Actual Use 2 through 5 differ from the registered trademark in terms of appearance due to the presence or absence of a figure or the presence or absence of Korean, yet the names are the same in English, and the concerns of misunderstanding and confusion as to the source of the product by consumers grew larger than the cases in which the registered trademark is used as it is in the relationship with the Subject Trademarks due to the modification as above, and thus, they constitute similar marks.



### 3) Summary of discussion

Since the fact that the products for which Trademarks in Actual Use were used are the same product as the socks, which are one of the registered trademark's designated goods as noted above, the plaintiff

must be deemed to have used the similar trademark with the registered trademark for the designated goods of the registered trademark.

**C. Whether Consumer was Caused to Be Confused with Products Related to Business of Another**

1) Whether Trademarks in Actual Use are Similar to Subject Trademarks

A) Comparing Trademark in Actual Use 1 of , and Target Trademark 1 of , there is only a slight difference between whether the fourth letter of 'K' has been capitalized and the font of 'K,' yet all 7 letters are the letter trademarks structured with the same English letters, and thus, there is no difference in terms of appearance, and the names are the same, and therefore, if and when Trademark in Actual Use 1 and Target Trademark 1 are used together, both trademarks are significantly similar to the extent that they could cause confusion as to the source of the product for consumers or trading parties.

B) Trademarks in Actual Use 2 through 5 associate with the combination trademarks in which Hangul 'B' is placed in a round diamond figure with right and left vertices of a shape very similar to the shapes used for Subject Trademarks 1 through 3 and 4 and 5 at the top of Trademark in Actual Use 1, and since if Trademarks in Actual Use 2 through 5 were used together with the Subject Trademarks, they must be deemed to be very similar to the extent they might cause confusion as to product origins for consumers or trading parties.

2) Extent to which Subject Trademarks are known

A) Taking together the purport of the overall argument for each statement of the undisputed facts between the parties, the evidence

## PATENT COURT DECISIONS

examined earlier, and Defendant's Exhibits No. 1, 2, 6 through 8, 18, and 32 through 35 (including extension numbers), the following facts would be admitted.

(1) The defendant is a company which has produced and distributed fashion products such as shoes, clothing, and handbags, was founded as B Shoemaking Company in 1954, and was converted into B Shoemaking Co., Ltd., in February 1969, changed its trade name to B Co., Ltd., in July 2002, and changed to the current trade name in July 1, 2011.

(2) The defendant has expanded its business areas from the 1980s to the so-called 'total fashion'-related industries such as clothing, handbags, and fashion accessories, as well as the existing shoes. Currently, it is operating some 400 stores across the nation, and the stores are named 'B' selling the defendant's products, and the dress shoes products are sold in various brands such as Regal, Renoir, Vigevano, Balenciaga, Renoma, Esprendo, Xenia, Land Rover, Buffalo, etc.

(3) The defendant's annual revenues from 2014 to 2018 posted between KRW 250 billion and KRW 330 billion as follows (Defendant's Exhibits No. 6-2 through 4).

(Unit: KRW)

7/2014~6/2015	7/2015~6/2016	7/2016~6/2017	7/2017~6/2018
306,543,030,682	316,465,001,967	295,245,942,361	251,390,043,864

(4) Beginning with newspaper advertising in the 1960s, the defendant advertised and promoted the Subject Trademarks via various media such as store signs, catalogs, websites, TV, magazines, online shopping malls, YouTube, and social media advertisements.

(5) In addition, the defendant was selected as an official sponsor of various international events such as the 1986 Seoul Asian Games, the 1990 Beijing Asian Games, the 1993 Daejeon Expo, and the 1992 Barcelona Olympics.

(6) ‘B Shoemaking’ won the Asian Consumer Grand Prize for the dress shoes category in 2018, and won the Korean Influential Brand Grand Prize for the dress shoes category in 2019, and was also ranked first for the men's suit dress shoes category for 15 years consecutively for the national customer satisfaction until 2018 (Defendant's Exhibits No. 7-1 through 3).

B) Taking together the period of use of the Subject Trademarks, the size of revenue for the Product in Use, the details of advertising and promotion, and the extent of media and press coverage, which may be seen from the facts above, the Subject Trademarks at the time the Trademarks in Actual Use were used were better known widely as the product marks among Korean consumers in connection with shoes and dress shoe products, thereby gaining a reputation and at least perception as the trademark of a specific source among the consumers and trading parties.

3) Connection between product in use of Trademarks in Actual Use and product in use of Subject Trademarks

A) It is difficult to conclude that ‘Socks’, which is a Product in Use of the Trademarks in Actual Use, and ‘Shoes, Dress shoes’, which is a Product in Use of the Subject Trademarks, are similar products. However, the confusion with products related to the business of another as provided under Article 119(1)(1) of the Trademark Act may arise between the homogeneous and similar products as well as heterogeneous products, and the fact that the defendant has expanded business areas for the so-called ‘Total Fashion’-related industries such as clothing, handbags, fashion accessories, etc. in addition to shoes since the 1980s as noted above, and taking this together with the purport of the overall argument for each statement of Defendant's Exhibits No. 9-1 through 4, it must be deemed that the trend of the so-called ‘Total Fashion’ of selling clothing, shoes, socks, and other goods by a single company picked up speed in the general trading

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society already at the time the Trademarks in Actual Use were in use.

B) Further to the circumstances above, ‘Socks,’ a Product in Use of the Trademarks in Actual Use, and ‘Shoes, Dress shoes’, a Product in Use of the Subject Trademarks, are both the products worn by feet, and considering the fact that they add sophistication to either the feet protection or finesse, if both are distributed together, it is possible to cause consumers and trading parties to be confused as to whether they are produced and supplied by those having a certain human or capital relationship, and thus, it is valid to deem that they are both consequently intimately related economically.

### **4) Summary of discussion**


Consequently, considering ① the fact that the Trademarks in Actual Use are so similar that they might cause confusion as to the source of the product when compared to the Subject Trademarks, ② the fact that the Subject Trademarks had at least already been used by Korean consumers or trading parties when the Trademarks in Actual Use were in use, ③ the fact that while the extent to which the Trademarks in Actual Use were known among the consumers seems to be far less than that of the Subject Trademarks, and ④ the fact that the Product in Use of the Trademarks in Actual Use and the Product in Use of the Subject Trademarks are intimately related economically, among others, it may be said that the Trademarks in Actual Use might cause confusion with the products related to the business of the defendant for consumers or trading parties in the relationship with the Subject Trademarks.

### **D. Whether Plaintiff Acted Intentionally**

1) If the trademark holder knew about the existence of a Subject Trademark which may cause misunderstanding or confusion and used the Trademark in Actual Use which is the same or similar to the Subject Trademark, it may be said that there was an intention to

unlawfully use the trademark, and in particular, if the Subject Trademark is a publicly known or well-known trademark, unless any special circumstances exist, such as where one failed to perceive of the existence of the Subject Trademark or mark product, it is possible to presume the existence of the intention (refer to judgment numbered 2003Da54315 made on November 12, 2004, by the Supreme Court, etc.)

2) In view of the Subject Trademarks' reputation above, it is presumed that there was an intention to unlawfully use the registered trademark for the act of using a similar Trademarks in Actual Use, and there is no other evidence to suggest that the plaintiff failed to perceive the existence of the Subject Trademarks.

3) Concerning which, the plaintiff had used a mark such as  even before reaching the previous agreement, and the defendant had also known about the same and executed the previous agreement, and the fact that the plaintiff used the Trademarks in Actual Use was merely an act done in line with the previous agreement and without an intention to unlawfully use the same, according to the claim.

Examining further, the fact that the defendant and D agreed to use a trademark within the scope of rights of the registered trademark for the registered trademark's designated goods to prevent consumers' misunderstanding and confusion is noted above. However, the following circumstances which may be taken together to recognize the purport of the overall argument for each statement of Defendant's Exhibits No. 10 and 36 for the established facts, that is, considering the fact that it is difficult to deem that the previous agreement would modify the registered trademark as with the Trademarks in Actual Use whereby the effect would grow larger to the extent that the concerns of causing misunderstanding and confusion as to the source of the product for consumers than the cases in which the registered trademark

## PATENT COURT DECISIONS

is used as it is in the relationship with the Subject Trademarks, and the fact that the plaintiff filed Trademark in Actual Use 5 for designated goods such as for socks, etc. on or about February 20, 2013, and continued using the same even while knowing about the concerns of causing confusion about the source in connection with the defendant's Subject Trademark 3 by Trademark in Actual Use 5 via the trial against rejection dated September 5, 2017, along with the objection decision dated February 17, 2016, among others, the plaintiff's claim that there was no intention to unlawfully use the mark given the previous agreement alone cannot be accepted.

### **E. Overall Review Results**

Taking together the above, it is appropriate to deem that the registered trademark consequently falls under Article 119(1)(1) of the Trademark Act.

## **5. Conclusion**

Since the registered trademark falls under Article 119(1)(1) of the Trademark Act, the IPTAB decision rendered in line with this conclusion is legitimate. Therefore, the plaintiff's petition seeking revocation of the IPTAB decision is without ground, and thus, the decision is rendered as ordered.

Presiding Judge	Jejeong LEE
Judge	Kwangnam KIM
Judge	Heeyoung Jeong

**PATENT COURT OF KOREA**  
**FIRST DIVISION**  
**DECISION**

**Case No.** 2019Heo7825 Rejection (Trademark)

**Plaintiff** A  
Hong Kong, China  
CEO B  
Counsel for Plaintiff Patent Attorney in Charge  
Dongho SHIN

**Defendant** Commissioner of Korean Intellectual Property Office  
Counsel for Defendant Jaeseong ROH

**Date of Closing Argument** March 24, 2020

**Decision Date** April 16, 2020

**ORDER**

1. The plaintiff's claim is dismissed.
2. The cost arising from this litigation shall be borne by the plaintiff.

**PLAINTIFF'S DEMAND**

The IPTAB Decision 2018Won4041 dated August 30, 2019 shall be revoked.

## OPINION

### 1. Background

#### A. Claimed Trademark at Issue (hereinafter the “claimed trademark”) (Plaintiff’s Exhibit 2)

1) Filing No./ Filing date of application: No. 40-2017-126262/  
October 11, 2017

2) Mark: 

3) Designated Goods: Goods in Class 9 under Classification of Goods including computers, downloadable computer software applications, pedometers, photocopiers, rulers for measurement, luminous signs, smartphones, headphones, cameras for photography, measuring instruments, optical mirrors, wires, semiconductors, thermostats, fire extinguishers, personal accident protective gear and equipment, alarms, eyeglasses, storage batteries, and photo slides

#### B. Rejection at Issue and IPTAB Decision (Plaintiff’s Exhibits 1, 39, 40)

1) On March 5, 2018, the patent examiner of the Korean Intellectual Property Office (hereinafter the “KIPO”) sent a Notice of Grounds for Rejection (Plaintiff’s Exhibit 39) to the plaintiff, stating that “The claimed trademark is a simple and common mark, being perceived as alphabet letter ‘P’ and that the claimed trademark cannot obtain registration in accordance with Articles 33(1)(vi) and 33(1)(vii) of the Trademark Act as a trademark unrecognizable for consumers to identify which goods related to whose business it indicates.”

2) The plaintiff, on July 3, 2018, submitted written argument. However, the KIPO examiner, on August 30, 2018, issued a decision to reject the application (Plaintiff’s Exhibit 40) stating that the grounds in the Notice of Grounds for Rejection were still not resolved by the written argument.

3) The plaintiff filed an administrative appeal on September 28, 2018, regarding the rejection with the Intellectual Property Trial and Appeal Board (hereinafter the “IPTAB”) as Case No. 2018Won4041. However, the IPTAB issued an administrative decision<sup>1)</sup> to dismiss the plaintiff’s appeal on August 30, 2019, concluding that “the claimed trademark falls under Article 33(1)(vi) of the Trademark Act as a simple and common mark.”

[Factual Basis] Undisputed facts, the statements in Plaintiff’s Exhibits 1, 2, 39, and 40, and the purport of the overall arguments

## **2. Summary of the Plaintiff’s Arguments**

The claimed trademark may be a simple but not common mark, having a unique shape, unlike simple alphabet letter ‘P’ in general font, such shape as a ‘tennis racket,’ ‘household broom,’ or ‘Chinese kitchen knife.’ Thus, the claimed invention may be a simple but uncommon trademark not falling under Article 33(1)(vi) of the Trademark Act.

Therefore, the administrative decision ruling otherwise is erroneous.

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1) The administrative decision of this case writes a filing number and designated goods in the background, but these descriptions are different from those of the claimed invention in the plaintiff’s demand for administrative trial, and thus they deem typographical error obviously.


### 3. Whether IPTAB Erred

#### A. Relevant Law and standard

Whether a filed trademark obtains registration as a simple and common mark prescribed in Article 33(1)(vi) of the Trademark Act should be determined taking into account trade practice and whether excluding others from use of the mark would be appropriate(See Supreme Court Decision 2003Hu2942 dated November 26, 2004). A mark that is a stylized version of a common figure or letter may survive the “simple and common” standard only when the mark is designed based to a degree that it would be viewed as something more than the original unstylized figure and would draw special attention of ordinary consumers or traders(See Supreme Court Decision 2006Hu3632 dated March 16, 2007).

#### B. Discussion

The claimed trademark survived the simple and common test, taking into account the following circumstances established based on the statements and images in Defendant’s Exhibits 10 through 14 and the purport of the overall arguments.

1) The claimed trademark has the appearance of ‘’, consists of ① the left side having the two corners on the left tilted clockwise with square cut ; ② the vertically long rectangle inclined at the same angle as the left side but having two corners with round cut; and ③ the corners and short sides in the rectangle, each composed of rounded rectangles, and is prima facie similar to alphabet letter “P” in its entirety.

2) That is, although the claimed trademark may deemed to have

a slightly designed letter “P”, the degree thereof is limited to having the shape of a rounded rectangle instead of the semicircle, still falling short of being perceived by ordinary consumers or traders as something more than a simple and common alphabet letter “P” or a newly created figure that would generate special attention such as a “tennis racket”, “household broom”, or “Chinese kitchen knife” as the plaintiff argues.

3) In particular, the mark is not different than the letter “P” in “italic” or “bold” font in easily accessible fonts in Microsoft Word, PowerPoint, or Hancom Hangul2007(a word processing software installed in nearly all office computers in Korea, named after the Korean alphabet Hangul) and has a similar shape to that of the claimed trademark and thus it deems difficult that the claimed trademark has distinctiveness that distinguishes one’s product from another’s. [The plaintiff argues that a trademark identical to the claimed trademark is registered in countries including the United States and China and that a trademark similar to the claimed trademark is registered in countries such as Europe and Australia for each being acknowledged to have distinctiveness. However, whether a filed trademark or service mark are registered must be independently determined in connection with the designated goods or services pursuant to the Korean Trademark Act and not affected by registration cases of other countries having different legislative systems and languages(See Supreme Court Decision 2002Hu1768 dated May 16, 2003), and thus the distinctiveness of the claimed trademark cannot be acknowledged by the grounds claimed by the plaintiff alone].

		
Subject Trademark	Agency FB	HY Yat-eun-sam-mu MI

4) Furthermore, as long as the claimed trademark is nothing

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more than a slightly stylized version of alphabet letter “P”, it would not be appropriate that the plaintiff has the sole right to use the mark stylizing alphabet letter “P” in a simple and easy manner.

### **C. Summary of Analysis**

The claimed trademark is a “trademark that consists solely of a simple and common mark” under Article 33(1)(vi) of the Trademark Act. Therefore, the IPTAB decision is consistent with the above analysis and shall be upheld.

## **4. Conclusion**

The plaintiff’s claim to revoke the decision is without merit and therefore dismissed as ordered.

Presiding Judge	Jejeong LEE
Judge	Kwangnam KIM
Judge	Heeyoung JEONG

**PATENT COURT OF KOREA**  
**SECOND DIVISION**  
**DECISION**

**Case No.** 2019Heo6747 Invalidation of Registration  
(Trademark)

**Plaintiff** A  
CEO B  
Counsel for Plaintiff  
Attorney Jongseok KIM  
Patent Attorney Hongseok Jang

**Defendant** C  
CEO D  
Counsel for Defendant  
Patent Attorney Changsik SOHN

**Date of Closing Argument** May 21, 2020

**Decision Date** June 4, 2020

**ORDER**

1. The Intellectual Property Trial And Appeal Board (IPTAB) Decision (2017Dang2862) dated July 30, 2019, is revoked.
2. The Defendant shall bear the cost arising from this litigation.

**PLAINTIFF'S DEMAND**

As ordered.

## OPINION

### 1. Background

#### A. Registered Trademark at Issue (hereinafter the “Subject Trademark”)

- 1) Registration No./ Filing Date of Application/ Registration Date:  
No. 934783/ August 24, 2011/ September 19, 2012
- 2) Mark at Issue: **GSHOBBY**
- 3) Designated Goods: Pet toys, ski wax, toys, playthings, dolls, amusement items, apparatus for playing games, electronic amusement items (excluding those exclusive for TV), sports equipment, exercise equipment, bodybuilding equipment, fishing gear, and collapsible pools for sports in Class 28
- 4) Right holder: Defendant

#### B. Prior-Used Mark

- 1) Mark: **GS**
- 2) Designated Goods (Services): Operation of a professional sports team, operation of teleshopping programs, operation of convenience shops, operation of holding companies, power generation business, construction business, among others
- 3) Period of Use: From July 2004 to present
- 4) User: Plaintiff

### C. IPTAB Decision

1) On September 6, 2017, the Plaintiff filed a petition with the IPTAB against the Defendant, seeking to revoke the Subject Trademark's registration for the following reasons: ① There are reasons for invalidating the Subject Trademark's registration under Article 7(1)(vi) of the previous Trade Act (the Act that was replaced by Act No. 14033 on February 29, 2016, hereinafter the "old Trademark Act.") because it contains the abbreviated title or trade name of the well-known Prior-Used Mark; ② there are reasons for invalidating the Subject Trademark's registration under Article 7(1)(x) of the old Trademark Act because the Subject Trademark is similar to the well-known Prior-Used Mark and will likely cause a mistake or confusion as to the source of the goods to consumers or traders; and ③ there are reasons for invalidating the Subject Trademark's registration under Article 7(1)(xii) of the old Trademark Act because the Subject Trademark is used for fraudulent purposes, such as unjust enrichment by taking advantage of the credibility and reputation embodied in the Prior-Used Mark.

2) The IPTAB assessed the petition as Case 2017Dang2862 (hereinafter the "Case") and dismissed the Plaintiff's petition on July 30, 2019, stating that: "① It is difficult to accept that the Subject Trademark contains the trade name or abbreviated title of the Prior-Used Mark and that it violates Article 7(1)(vi) of the old Trademark Act; ② The Case does not fall under Article 7(1)(x) of the old Trademark Act because the Prior-Used Mark is not similar to the Subject Trademark. The Subject Trademark is unlikely to cause a mistake or confusion as to the source of goods because it is known, to some extent, as the source of goods in the toys, playthings, and amusement apparatus industries; and ③ The Case does not fall under Article 7(1)(xii) of the old Trademark Act because the Subject Trademark cannot be deemed identical or similar to the Prior-Used Mark."

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**[Factual Basis]** Undisputed facts; statements in Plaintiff's Exhibits 1, 2, and 3; and purports for the overall argument

### **2. Plaintiff's Argument**

The IPTAB erred in its decision for the following reasons. Therefore, the decision shall be revoked.

① The Subject Trademark is similar to the Prior-Used Mark because it combines "HOBBY," with little to no distinctiveness, to "GS," which is a well-known Prior-Used Trademark that pertains to the goods or services provided by GS Group, a well-known large corporation. There are reasons for invalidating the trademark registration under Article 7(1)(x) of the old Trademark Act, as the Subject Trademark is likely to cause confusion as if the designated goods are produced and sold by GS Group's affiliates or those with special relations with GS Group.

② The Subject Trademark is subject to the reasons for invalidating the trademark registration under Article 7(1)(vi) of the old Trademark Act because it contains the well-known Prior-Used Mark as it is.

③ The Subject Trademark is subject to the reasons for invalidating the trademark registration under Article 7(1)(xii) of the old Trademark Act because it was registered for fraudulent purposes, such as unjust enrichment by taking advantage of the credibility and reputation embodied in the Prior-Used Mark or by diluting the Prior-Used Mark's function as a source indicator.

### **3. Discussion**

#### **A. Applicability of Article 7(1)(x) of the Old Trademark Act**

##### **1) Standard**

Article 7(1)(x) of the old Trademark Act provides that a trademark

likely to cause confusion with the goods or business of another that is conspicuously recognized by consumers may not be registered. A mark is refused registration under the above provision when there is a likelihood of confusion as to the source because the consumers in regards with the mark at issue would easily envisage a famous trademark or service mark of another, or its goods or business, in consideration of overall assessment and comparison of the fame of another person's prior-used trademark or service mark, the composition of the trademark concerned and another person's prior-used trademark or service mark, the degree of similarities or closeness between the two entities' goods or businesses, the degree of business diversification by the person holding the prior-used trademark or service mark, and the degree of overlap in customer bases (see e.g., Supreme Court Decision, 2008Hu2510, decided on May 27, 2010).

## 2) Established facts

① The Plaintiff had used the Prior-Used Mark since July 1, 2004, when it was separated from the LG Group as an entity named "GS Holding." The Plaintiff uses the Prior-Used Mark in the trade names of its affiliates, including GS Energy, GS Caltex, GS EPS, and GS E&R in the energy sector; GS Retail and GS Homeshopping in the distribution section; GS ENC in the construction sector; and GS Sports.

② The Plaintiff has used and promoted the Prior-Used Mark since July 2004. In 2005, the marketing cost spent by the Plaintiff's major affiliates amounted to KRW 112 billion, and the Plaintiff published 2,193 advertisements on TV, 2,201 on radio, 123 on newspapers, and 210 on cable TV.

③ According to the Korea Fair Trade Commission records, the Plaintiff was the 8th largest business group in Korea, with 76 affiliates and total assets amounting to KRW 46 trillion when the application for registration of the Subject Trademark was filed in 2011. The

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Plaintiff's sales approximately amounted to KRW 23 trillion in 2005, 27.6 trillion in 2006, 31 trillion in 2007, 34.5 trillion in 2008, and 49.7 trillion in 2009. In a brand awareness survey in September 2005, 99.4% of 500 male and female adults recognized GS Group.

④ The Defendant was established on March 30, 2000, and added “manufacturing and sales of toys and playthings, character goods, and plastic models and figures” to its business purposes on September 8, 2009. It began to use the domain “gshobby.co.kr” on May 10, 2010, and filed an application to register the Subject Trademark on August 24, 2011, which was approved on September 19, 2012.

⑤ Toys and playthings, which are the Designated Goods bearing the Subject Trademark, are sold on the Defendant's domain (gshobby.co.kr), its websites (gundamshop.co.kr and thunder-man.com), and other e-commerce sites, including Amazon, eBay, Naver Shopping, G Market, and Auction.

**[Factual Basis]** Undisputed facts; statements or images in the Plaintiff's Exhibits 4 through 9, 24, 26, 31, 32, 33, 36, 38, 40 through 50, and 53; statements or images in the Defendant's Exhibits 1 through 28, 43, 44, and 45; and purports of the overall argument

### 3) Prior-used mark's fame

According to the established facts above, the Prior-Used Mark obtained fame from around 2005. On August 24, 2011, which is the Subject Trademark's filing date for registration, the Prior-Use Mark was widely known not only to the general consumers or traders but also to the general consuming public in Korea.

### 4) Whether Source of the Goods are Mistaken or Confused

The confusion referred to in Article 7(1)(x) of the old Trademark Act has a broad meaning in that the source of goods is mistaken for

having a business, contractual, organizational, or other special relationship with the corporate owner of a well-known trademark. Given the following circumstances as presented in the established facts above, the Subject Trademark is likely to confuse the audience with the Prior-Used Mark's business. Therefore, it is reasonable to deem that the Subject Trademark falls under the grounds for invalidating the trademark registration under Article 7(1)(x) of the old Trademark Act.

① The Plaintiff argues that the Subject Trademark is a composite trademark of "GS" and "HOBBY." Moreover, the Defendant seems to acknowledge that the Subject Trademark is a composite mark of "G," "S," and "HOBBY," as it argues that the Subject Trademark is an abbreviation of "Gundam Shop HOBBY." The Plaintiff names its affiliates in the form of combining "GS" with following individual company name.

② The Prior-Used Mark and the Subject Trademark have different appearances as they use different letters. However, the first two letters are the same, i.e., "GS." Neither the Subject Trademark, which is a coined trademark, nor the Prior-Used Mark form any particular concept for comparison between the two. The first three syllables are the same between the Prior-Used Mark, called "GS," and the Subject Trademark, called "GSHOBBY." Given the linguistic practices of the general Korean trading society where the first syllable is stressed and carries stronger impression in a word comprising several syllables, general consumers or traders who have encountered the Subject Trademark can easily associate it with "GS," a well-known Prior-Used Mark.

③ Toys and playthings, which are the Designated Goods bearing the Subject Trademark, are sold on the Defendant's websites and other e-commerce sites, among other goods. GS Homeshopping, one of the Plaintiff's affiliates, provides sale services through teleshopping channels, the Internet, and mobile applications and can sell toys and plastic model goods at any time. (It seems that it sells

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plastic models at present.) As such, both the Subject Trademark and the Prior-Used Mark share the same customer base.

④ The Defendant's gundamshop.co.kr site has nearly 550,000 members, and the term "Gundam Shop GSHOBBY" is used in Gundam Shop stores near Hapjeong Station and Samsong Station. Moreover, the Defendant used the term "Gundam Shop GSHOBBY" while hosting online contests in 2016 and 2017. The Defendant used the Subject Trademark in Amazon, eBay, and thunder-man.com sites and ranked first in the online shopping mall (kidult shop) category in the 2017 Korea Brand Preference survey. The Defendant used the Subject Trademark at the UK EXPO and on the SBS soap operas it sponsored. The Defendant argues that there is little overlap in customer bases and that the Subject Trademark did not cause confusion among consumers. However, the statements in the Defendant's Exhibits 1 and 2 are insufficient to support the Defendant's claim that it had been using the Subject Trademark before the Prior-Used Mark gained fame. There is no evidence to prove that the Subject Trademark was known as a source indicator of the Defendant's goods among the consumers or in the trade of toys, playthings, and amusement apparatus, among others, when the application for the Subject Trademark was filed. The circumstances above claimed by the Defendant came around only after the Plaintiff's Prior-Used Mark obtained fame. Having established the foregoing, it is concluded that the Subject Trademark is likely to confuse consumers with the Prior-Used Mark and the Defendant's argument is without merit.

### **B. Applicability of Article 7(1)(vi) of the Old Trademark Act**

Article 7(1)(vi) of the old Trademark Act is not intended to prevent mistakes or confusion with the source of goods or services but to protect others' moral rights. The provision concerns a trademark that

“includes” a well-known name of another party, and not formulated in a way regulating a mark that is identical or similar to a particular trademark (e.g., Article 7(1)(ix)). Furthermore, Article 7 does not require the likelihood of consumers being mistaken or confused as to the source of goods (e.g., Articles 7(1)(x) and (xi)) as the criteria.

The Subject Trademark contains a well-known trade name or abbreviated title of the Plaintiff, as it has the English letters “GS” in “GSHOBBY,” where the former is a well-known Prior-Used Mark. Therefore, the Subject Trademark falls under the ground for invalidating the trademark registration under Article 7(1)(vi) of the old Trademark Act.

### **C. Summary of Discussion**

The Subject Trademark’s registration shall be invalidated without having to further examine the Plaintiff’s remaining claims because it falls under Article 7(1)(vi) and (x) of the old Trademark Act. The IPTAB, whose decision is inconsistent with the analysis above, erred in its decision.

## **4. Conclusion**

The Plaintiff’s claim to revoke the IPTAB Decision is well-grounded, and therefore, shall be granted.

Presiding Judge	Kyungran KIM
Judge	Hyejin LEE
Judge	Seongjin KOO

**PATENT COURT OF KOREA  
FOURTH DIVISION  
DECISION**

<b>Case No.</b>	2019Heo1308 Invalidation (Trademark)
<b>Plaintiff</b>	A CEO B Counsel for Plaintiff Yoon & Yang LLC Attorneys in charge Chulgun LIM, Dongju KWON
<b>Defendant</b>	C Australia Representative D
<b>Date of Closing Argument</b>	October 23, 2020
<b>Decision Date</b>	November 13, 2020

**ORDER**

1. The portion of the IPTAB decision on Case No. 2018Dang2734 dated December 6, 2018 concerning ‘providing recreational and amusement facilities featuring trampolines’ among the designated service business of the service mark of the international registration No. 1182416 shall be revoked.
2. Plaintiff’s remaining claims are dismissed.
3. Plaintiff shall pay two thirds of the litigation costs and Defendant shall pay the remainder.

## PLAINTIFF'S DEMAND

The IPTAB Decision 2018Dang2734 dated December 5, 2018 shall be revoked.

## OPINION

### 1. Background

#### A. Registered Service Mark at Issue

1) Registration number/ date of subsequent designation: No. 1182416/  
July 3, 2015

2) Composition: **BOUNCE**

3) Designated service business: Provision of play facilities for children; providing recreational and amusement facilities; providing recreational and amusement facilities featuring trampolines under Goods and Services Classification Class 41.

4) Right holder: Defendant

#### B. Prior-registered Trademark and Earlier-filed Service Mark Claimed by Plaintiff

1) Prior-registered trademark (Plaintiff's Exhibit 17)

A) Registration number/ filing date of application/ date of registration: Trademark registration No. 1066920/ December 11, 2013/ October 29, 2014

B) Composition: **태권바운스**

## PATENT COURT DECISIONS

C) Designated goods: Air bounce (equipment for games or sports on clothes inflated by an air blower), inflatable toys, inflatable swimming pools (play articles), inflatable thin rubber toys, parlor games, trampolines, games and toys, gymnastic and sporting articles (excluding those that belong to other classifications), and water bikes under Goods and Services Classification Class 28.

D) Right holder: Jin-guk NAM

2) Earlier-filed service mark claimed by plaintiff (Plaintiff's Exhibits 19, 22-1 and 2)

A) Original application number/ filing date of original application/ divisional application number/ filing date of divisional application: No. 45-2015-0006900/ July 27, 2015/ No. 41-2016-0011363/ March 10, 2016

B) Composition: The logo for VAUNCE, featuring the word "VAUNCE" in a bold, sans-serif font. The "V" is stylized with a thick, black, slanted bar extending from its top left corner. To the right of the word are three horizontal bars of increasing length, stacked vertically.

C) Designated service business: Franchising of sports complex playground where trampolines facilities are installed and providing and operating of indoor playground equipment where trampolines facilities are installed under Goods and Services Classification Class 41.

D) Applicant: Plaintiff

### C. Procedural History

1) The plaintiff filed a petition seeking invalidation of the registered service mark at issue (the "subject service mark") against the defendant with the Intellectual Property Trial and Appeal Board (the "IPTAB"), stating that "The subject service mark is a descriptive mark that indicates, in a common manner, the characteristics of the designated service business, and is unrecognizable for consumers to identify which goods related to whose business it indicates, thereby

falling under Article 6(1)(iii) and (vii) of the old Trademark Act (the “Act” before it was amended into Act No. 14033 on February 29, 2016; hereinafter the same shall apply), and it is similar to the prior-registered trademark in mark and designated service business, thereby falling under Article 7(1)(vii) of the Act, and therefore the registration thereof should be invalidated.”

2) The IPTAB reviewed the above appeal by the plaintiff under Case No. 2018Dang2734, and issued an administrative decision to dismiss the plaintiff’s claims in its entirety on December 5, 2018 (the “IPTAB decision”), concluding that “The subject service mark cannot be deemed to directly indicate the nature of the designated service business such as quality, efficacy and use, nor can it distinguish from service businesses of another person, thereby not constituting the grounds for invalidation under Article 6(1)(iii) and (vii) of the Act, and the subject service mark is different from the prior-registered trademark in mark, thereby not falling under Article 7(1)(vii) of the Act with no need to further examine the similarity in designated service business and goods thereof.”

[Factual Basis] Regarding as confession under Article 150(3) of the Civil Procedure Act,<sup>1)</sup> the statements in Plaintiff’s Exhibits 1-4, 17, 19, and 22 (including any multi-level numbering thereof, for which the same shall be applied unless otherwise specified), and the purport of the overall argument

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1) The defendant appointed a counsel as the respondent and submitted a written answer at the administrative trial stage following the plaintiff’s petition for trial (Plaintiff’s Exhibit 2), but it is obvious to this Court that the defendant did not submit a written defense and was not present on the date of trial even after receiving a service of a duplicate of the written complaint and notice of the date of trial in accordance with the 「Treaty on Judicial Assistance in Civil and Commercial Matters Between the Republic of Korea and Australia」.

## **2. Summary of Plaintiff's Argument for Revocation of IPTAB Decision**

The registration of the subject service mark should be invalidated in its entirety because there exist the following grounds for invalidation, and the IPTAB decision ruling otherwise is erroneous and should be revoked.

1) The subject service mark is recognized only in the text part of 'BOUNCE,' which, when used in the designated service business, 'providing recreational and amusement facilities featuring trampolines,' not only will make general consumers or traders intuitively understand the meaning of 'a place to jump,' but also is widely used in the name of designated service businesses, and therefore the subject service mark has grounds for invalidation in accordance with Article 6(1)(iii) and (vii) of the Act.

2) The subject service mark is similar to another person's registered trademark for which the application was filed earlier in mark and designated goods, thereby constituting grounds for invalidation in accordance with Article 7(1)(vii) of the Act.

3) Designated goods of the subject service mark, in the subsequent designation process, was amended on May 26, 2016, and the designated service business before amendment, 'providing of entertainment facilities (S121001),' and the designated service business after amendment, 'providing of entertainment and amusement facilities (S121002),' are not similar and thus the amendment in the designated service business constitutes a change of the purport, and therefore the filing date of application of the subject service mark should be deemed on May 26, 2016, the date a written amendment thereof is submitted, in accordance with Articles 86-19(4) and 16(2) of the Act. The subject service mark is identical and similar to the earlier-filed service mark

claimed by the plaintiff ‘**VAUNCE**’ (divisional application No. 41-2016-0011363)’ in mark and designated goods, thereby constituting grounds for invalidation under Article 8(1) of the Act.

### **3. Whether Article 6(1)(iii) and (vii) of the Act is Applicable**

#### **A. Legal Principle**

1) Article 6(1)(iii) of the Act states that any trademark consisting solely of a mark indicating, in a common manner, the origin, quality, efficacy, and use of the designated goods may not be registered because such a descriptive mark is an indication that is required in general processes of distribution of goods and thus anyone needs to use it and wants to use it, which means a grant of exclusive rights of the mark to a particular person is inappropriate for the sake of public interest, and if trademark registration is granted, it would be difficult to be recognized among similar goods of another person. Thus, whether a trademark falls under this principle should be determined objectively based on the concept of the trademark, the relationship thereof with designated goods, and the circumstances of the relevant marketplace. Therefore, in order for a trademark is deemed to indicate the quality, efficacy, and use of goods, the meaning of the trademark should be used actually for the quality, efficacy, and use of designated goods or recognized among general consumers or traders as indicating the quality, efficacy, and use of the goods (see Supreme Court Decisions, 2004Hu3454, dated April 27, 2006 and 2002Hu1140, dated August 16, 2004).

Therefore, in principle a mark in a foreign language should be the case where general consumers or traders can intuitively recognize the meaning thereof, but if the objective meaning thereof indicates the quality, efficacy, and use of goods and the mark is being used actually

## **PATENT COURT DECISIONS**

for the quality, efficacy, and use of goods as it is meant, it should be considered as indicating nature even though the word itself is not easily accessible to general consumers and can only be understood by searching a dictionary (see Supreme Court Decisions, 2002Hu192, dated May 13, 2003, 89Hu513, dated August 8, 1989, and 83Hu22, dated May 9, 1984).

2) Article 6(1) of the Act prescribes in sub-paragraph 7 a case where trademark registration may not be granted that “Any trademark, other than those as referred to in sub-paragraphs 1 through 6, which does not enable consumers to recognize whose goods it indicates in connection with a person’s business,” and this means that any trademark that does not fall under sub-paragraphs 1 through 6 but does not identify the source goods of another person may not be registered. Distinctiveness of a trademark must be determined objectively based on the concept of the trademark, the relationship thereof with designated goods, and the trade practice. In case it is difficult to draw a conclusion on the distinctiveness of goods from the perspective of common sense or it is deemed unsuitable to grant an exclusive right to a specific person for the sake of public interest, such a trademark shall be considered non-distinctive (see Supreme Court Decision, 2012Hu2951, dated December 27, 2012).

3) The above legal principle is also applicable to service marks in accordance with Article 2(3) of the Act.

## **B. Discussion**

### **1) Established facts**

A) ‘Bounce’ is an English word that means ‘to hop’ or ‘to spring’ as a verb and ‘springing’ or ‘moving up’ as a noun, and is an easy word that is normally understandable to any students of middle

and high school. According to the English dictionaries of the Internet portal sites NAVER and DAUM and ‘trampoline’ in Wikipedia, an Internet encyclopedia, ‘bounce’ is a verb commonly used with the noun ‘trampoline,’ as can be seen in example sentences such as “bounce on a trampoline.”

B) The lyrics of the popular song “bounce,” which singer Yong-pil CHO recorded and released on the album ‘Hello’ around 2013, contain the phrase “Baby you’re my trampoline you make me bounce bounce,” and this song was selected as the ‘best song’ by ‘Korean Gallup’ in 2013. Among overseas books, “Life’s a Trampoline, Learn to Bounce (author Karl H. Koch; Plaintiff’s Exhibit 11-1,” and “Full of Bounce!: Trampoline Tips & Tricks (authors Richard Haby & Nathan Freind; Plaintiff’s Exhibit 11-2)” have also been published.


C) Among the public hospitality businesses such as kids cafes, indoor playgrounds, and play facilities with trampolines, companies that include ‘바운스[ba-un-s] (phonetic notation for bounce in Korea,)’ and ‘bounce’ in their trade names are ‘Bounce Pang Pang (located in Seo-gu, Daejeon; Plaintiff’s Exhibit 12-1),’ ‘We Bounce (located in Yangju-si, Gyeonggi-do; Plaintiff’s Exhibit 12-2),’ ‘Gym Bounce (located in Namyangju-si, Gyeonggi-do; Plaintiff’s Exhibit 12-3),’ ‘AI Bounce (located in Seongbuk-gu, Seoul; Plaintiff’s Exhibit 12-4),’ ‘EQ Bounce (located in Bucheon-si, Gyeonggi-do; Plaintiff’s Exhibit 12-5),’ ‘GH Bounce (located in Cheongju-si, Chungcheongbuk-do; Plaintiff’s Exhibit 12-6),’ ‘Bounce Plus (located in Ansan-si, Gyeonggi-do; Plaintiff’s Exhibit 12-7),’ ‘Vaunce Trampoline Park (located in Seocho-gu, Seoul; Plaintiff’s Exhibit 12-8),’ ‘Zoo Bounce Club Trampoline Park (located in Gimpo-si, Gyeonggi-do; Plaintiff’s Exhibit 12-9),’ ‘Takkurine Bounce Bounce (located in Songpa-gu, Seoul; Plaintiff’s Exhibit 12-10),’ ‘i-zon air bounce (located in Namyangju-si, Gyeonggi-do; Plaintiff’s Exhibit 12-11),’ and ‘Bounce (located in Changwon-si, Gyeongsangnam-do; Plaintiff’s Exhibit 12-12).’


## PATENT COURT DECISIONS

D) Among trademarks that include as designated goods ‘trampoline’ among sports equipment (similar group code G430301) and ‘provision and operation of indoor playground facilities equipped with trampoline’ among provision and operation of entertainment facilities (similar group code S1210002), 14 trademarks are filed with ‘Bounce’ displayed in mark such as **STYLE BOUNCE** (Application No. 40-2010-0019180) and **MBLACK BOUNCE** (Application No. 40-2017-0048997), and 9 trademarks are filed with ‘바운스[ba-un-s] (phonetic notation for bounce in Korea,)’ displayed in mark such as **스타일바운스** (application No. 40-2010-0019173) and **키가쑹쑹 점프점프** (application No. 41-4012-0016266).

E) Regarding the designated goods ‘trampolines’ registered with the USPTO, a disclaimer of ‘BOOGIE BOUNCE’ of **Boogie Bounce Xtreme** (serial No. 79167230; Plaintiff’s Exhibit 14-1)’ is inserted in the application; regarding the designated goods ‘trampolines,’ a disclaimer of ‘BOUNCE’ of **BOUNCE MASTER** (serial No. 87726907; Plaintiff’s Exhibit 14-2)’ is inserted in the application; concerning the designated goods ‘trampolines,’ a disclaimer of ‘BOUNCE SAFE’ of **Bounce SAFE** (serial No. 88057999; Plaintiff’s Exhibit 14-3)’ is inserted in the application; concerning the designated goods ‘trampolines,’ a disclaimer of ‘BOUNCESTAR’ of **BounceStar** (serial No. 87829502; Plaintiff’s Exhibit 14-4)’ is inserted in the application; regarding the designated goods ‘fitness classes using a mini-trampoline for strength and cardio,’ a disclaimer of ‘BOUNCE’ of **DEFINE BOUNCE** (serial No. 86963656; Plaintiff’s Exhibit 15-5)’ is inserted in the application; regarding the designated goods ‘trampolines,’ a disclaimer of ‘HEALTH BOUNCE’ of **HEALTH BOUNCE** (serial No. 86301098; Plaintiff’s

Exhibit 14-6)' is inserted in the application; concerning the designated

goods 'mini-trampolines,' a disclaimer of 'BOUNCE' of ' (serial No. 79118859; Plaintiff's Exhibit 14-7)' is inserted in the application; regarding the designated goods 'entertainment in the nature of a trampoline part,' a disclaimer of 'BOUNCE' of 'NINJA BOUNCE (serial No. 87673053; Plaintiff's Exhibit 14-8)' is inserted in the application; and regarding the designated goods 'operating indoor recreation centers featuring trampolines,' a disclaimer<sup>2)</sup>

of 'BOUNCE' of ' (serial No. 4079723; Plaintiff's Exhibit 14-10)' is inserted in the application.

F) In each examination for 'BE BOUNCE' of trademark registration application No. 77501164 and 'BOUNCE' of trademark registration application No. 86665178, the examiner at the US Patent and Trademark Office stated that 'bounce,' in its relationship with the designated goods such as 'mini-trampolines,' is merely descriptive of the nature of trampolines and thus registration is not granted unless a disclaimer of the portion, 'bounce,' is submitted (Plaintiff's Exhibits 15, 16).

[Factual Basis] Regarding as confession under Article 150(3) of the Civil Procedure Act, the statements and images in Plaintiff's Exhibits 6-17, and the purport of the overall argument

## 2) Analysis

### A) Regarding 'providing recreational and amusement facilities featuring trampolines' among designated service businesses

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- 2) A disclaimer under the US Trademark Law refers to a system where the intention of an applicant that does not claim rights to the portions of a trademark that lack distinctiveness and thus is not registrable is recorded in the register, and by doing so, the registration of the trademark is permitted but the rights to the non-distinctive portions thereof are not exercised.

of the subject service mark

Considering the following circumstances that can be understood from the above established facts, it is reasonable to view that the subject service mark is a descriptive mark indicating in a common way the nature of the designated service business, ‘providing recreational and amusement facilities featuring trampolines,’ among the designated service businesses thereof and is a non-distinctive mark which does not enable consumers to recognize whose services it indicates in connection with a person’s business.

(1) ‘BOUNCE’ in the subject service mark is an English word that means ‘to hop’ or ‘to spring’ as a verb and ‘springing’ or ‘moving up’ as a noun and is pronounced as ‘바운스[ba-un-s] (phonetic notation for bounce in Korea,)’ and is an easy word that is normally understandable to students of the third grade of middle schools or high school students, and ‘trampoline’ means ‘a gymnastic sport where a person jumps up or does flying spins, etc. on a tetragonal or hexagonal mat with springs or the equipment used for such sport.

(2) In light of registration and examination cases of the USPTO, ‘bounce’ seems to be frequently used as a verb to refer to the use of ‘trampoline’ in British and American countries, that is, the act of hopping or jumping.

(3) In Korea, a number of marks including ‘bounce’ such as ‘Bounce Pang Pang’ have been adopted and used under the trade name of an amusement facility equipped with trampolines, and a number of trademarks or service marks with provision and operation of indoor playground facilities equipped with trampolines as designated goods have been filed.

(4) Considering the above circumstances in light of the level of English distribution in Korea, if ‘BOUNCE’ of the subject service mark is used in the designated service business, ‘providing recreational and amusement facilities featuring trampolines,’ general consumers would not have any difficulty in understanding intuitively

the meaning of 'BOUNCE' as 'playing by jumping or hopping (on a trampoline)' or a place to play by jumping or hopping (using an equipment).'

(5) ‘**BOUNCE<sup>INC</sup>**’ in the subject service mark is a mark combining ‘**BOUNCE**,’ which includes the English letter ‘BOUNCE’ written in sans-serif type and the designed ‘**N**’ of the fourth letter ‘N,’ and ‘**INC**’ which is the vertical writing of ‘INC.’ Here, ‘**INC**’ means ‘incorporated’ and lacks distinctiveness, and even though it is written vertically like ‘**INC**,’ it occupies a small proportion of the entire mark and is at the far right and thus it is not noticeable. For ‘**N**,’ the diagonal stroke of the letter ‘N’ includes colors including yellow, black, and red as if it is wrapped, but the outer edge of the letter is not modified, and the proportion of the designed ‘**N**’ of the entire mark is merely about one-seventh of the width, so it is simply recognized as a decoration of the letter ‘N.’ As such, it is difficult to view that the degree to which ‘**INC**’ is added or the degree to which ‘**N**’ is designed has reached the level of attracting special attention from the general public enough to overwhelm the recognition power of the letter ‘BOUNCE’ and therefore it is not deemed that the subject service mark creates a new concept beyond the original meaning of the letter portion thereof, ‘BOUNCE,’ or a new distinctiveness.

B) Regarding ‘provision of play facilities for children,’ ‘providing recreational and amusement facilities’ among designated service businesses of the subject service mark

The concept of the service industry of ‘provision of play facilities for children’ and ‘providing recreational and amusement facilities’ is broad, meaning ‘play facilities for children’ and ‘recreation and amusement facilities’ and cannot necessarily be deemed to be limited to the form of business of jumping or bouncing play, and there is no evidence to otherwise admit that regarding these types of businesses,

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‘바운스[ba-un-s](phonetic notation for bounce in Korea,)’ and ‘bounce’ make general consumers or traders intuitively recognize any quality, efficacy, and use of designated service businesses or that they constitute marks lacking distinctiveness to distinguish designated goods from other products under social norms.

Therefore, the subject service mark is not a descriptive mark indicating, in a common manner, the nature of the remaining designated service businesses, ‘provision of play facilities for children, providing recreational and amusement facilities,’ nor is it a non-distinctive mark that does not enable consumers to recognize whose services it indicates in connection with a person’s business.

### C. Summary of Discussion

In summary, the subject service mark is a descriptive mark indicating in a common manner the nature of designated service business, ‘providing recreational and amusement facilities featuring trampolines,’ among the designated service businesses and a non-distinctive mark that does not make consumers recognize whose services it indicates in connection with a person’s business, thereby falling under grounds for invalidation in accordance with Article 6(1)(iii) and (vii) of the Act, but it cannot be deemed that there exist grounds for invalidation under Article 6(1)(iii) and (vii) of the Act in its relationship with the remaining designated service business, ‘provision of play facilities for children, providing recreational and amusement facilities.’

## 4. Whether Article 7(1)(vii) of the Act is Applicable

### A. Legal Principle

- 1) The similarity of a composite trademark consisting of two or

more letters or figures combined should be determined based on the appearance, sound, and concept by the overall appearance, sound, and concept of the trademark. Then, if there is a part that independently functions as source indicator of the goods by leaving an impression of the trademark on ordinary consumers or by inducing them to remember or associate with the trademark, i.e. prominent part, it is necessary to use the prominent part to determine the similarity of the trademarks in comparison, to reach proper conclusion based on overall observation. The prominent part of a trademark becomes the subject to determination of similarity of trademarks because of its unique distinctiveness that is prominently recognized by general consumers by itself regardless of other parts, and thus if there exists the prominent part in a trademark, it is possible to determine the similarity of a trademark by comparing only the prominent part without having to determine whether it can be separately viewed. In addition, whether a part in a trademark is prominent should be determined by comprehensively considering the following matter: the level of distinctiveness compared to other parts, the level and degree of combination thereof with other parts, relationship with the designated goods, and trade practice as well as whether the part is well-known and famous or gives a strong impression to ordinary consumers and whether the part takes up a higher importance in the trademark (see Supreme Court Decision, 2015Hu1690, dated February 9, 2017).

2) The prominent part of a trademark becomes the subject to determination of similarity of trademarks because of its unique distinctiveness that is prominently recognized by general consumers by itself regardless of other parts, and thus any part with little or no distinctiveness cannot be the prominent part (see Supreme Court Decisions, 2001Hu1808, dated December 14, 2001 and 2004Hu912, dated May 25, 2006).

## B. Discussion

1) ‘바운스’ of the prior-registered trademark, ‘태권바운스,’ when used for ‘air bounce, inflatable toys, inflatable thin rubber toys, and trampolines’ of designated goods classification class 28, is deemed to make ordinary consumers or traders intuitively perceive it as ‘bounce and play’ or ‘a place where you can jump or bounce’ for the above mentioned reasons, and thus it lacks distinctiveness in the relationship with the designated goods, thereby not constituting the prominent part. ‘태권’ does not enable intuition of the above concept in the relationship with the designated goods, and therefore it is difficult to view that the part lacks distinctiveness. Thus, it is reasonable to deem that ‘태권’ is the prominent part of the prior-registered trademark in its relationship with the designated goods classification class 28, ‘air bounce, inflatable toys, inflatable thin rubber toys, and trampolines.’

Meanwhile, it is difficult to deem that ‘바운스’ lacks distinctiveness because of the failure to cause intuition of the above concept in the relationship with the remaining designated goods ‘inflatable swimming pool {playing goods}, indoor play goods, watercycle, recreational equipment and toys, gymnastics and sports goods {excluding those belonging to other categories}, and unless there are materials to assume that either side has the superiority in the level of distinctiveness compared each other in the relationship with ‘태권,’ the prior-registered trademark should be observed by ‘태권바운스’ in its entirety.

2) The subject service mark is a composite mark combining ‘**BOUNCE**’ containing ‘**N**,’ designed portion of the English letter ‘N,’ and ‘**INC**,’ which is ‘INC’ written in small font on the right while the prior-registered trademarks ‘태권바운스’ and ‘태권’

are a mark consisting of five letters and 2 letters in Korean, and these two marks are different not only in appearance due to differences in the type and number of constituent letters and the composition method of the marks but also in sound and concept.

### **C. Summary of Discussion**

In summary, the subject service mark is not identical or similar to the prior-registered trademark in mark and thus without having to further determine the identity or similarity in designated service business of the subject service mark and designated goods of the prior-registered trademark, it cannot be deemed that there exist grounds for invalidation under Article 7(1)(vii) of the Act in the relationship with the prior-registered trademark.

## **5. Whether Article 8(1) of the Act is Applicable**

### **A. Legal Principle**

1) When two or more applications for trademark registration are filed on different days with respect to the same or similar trademark to be used on the same or similar goods, only one person who files an application earlier than others shall be entitled to obtain a registration for the trademark (the Act Article 8(1)).

2) In cases of the international application that has been registered internationally under the 「Protocol relating to the Madrid Agreement Concerning the International Registration of Marks」 (hereinafter the “Protocol”) and that subsequently designates the Republic of Korea, the date on which the subsequent designation is recorded in the International Register shall be deemed the filing date of application for trademark registration (the Act Article 86-14(1) and (2)).

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3) Where any amendment falls under reduction of the scope of designated goods, rectification of any clerical error, or explanation of any obscure entry, the purport of an application for trademark registration shall be deemed unchanged (the Act Articles 86-19(4) and 16(1)). Where any amendment of a trademark or designated goods concerning an application for trademark registration filed before service of a certified copy of a decision to publish an application is recognized to have modified the purport after the establishment of trademark rights is registered, the application for trademark registration shall be deemed to have been filed at the time a written amendment thereof is submitted (the Act Articles 86-19(4) and 16(2)). Except as provided in Article 15 of the Act, any applicant may make amendments to the designated goods relevant to his/ her application for trademark registration only when the applicant has been notified of the grounds for rejection under Article 23(3) to the extent that the purport of the initial application for trademark registration remains unchanged (the Act Articles 86-19(1) and 14(1)).

### **B. Discussion**

#### **1) Established facts**

The following facts can be found by adding the purport of the overall argument to the statements in Plaintiffs Exhibits 1, 5, 19, 20, 21, and 22.

A) The subject service mark is an international application registered internationally under international registration No. 1182416 in accordance with the Protocol on September 11, 2013, with the subsequent designation of the Republic of Korea, Kazakhstan, the Philippines, Russia, and Turkey as designated states in the International Register on July 3, 2015.

B) After the above international registration, the defendant

applied for subsequent designation in the Republic of Korea on July 3, 2015, and through the publication of the application under publication No. 2017-0019355 on February 22, 2017, registration for establishment of rights was granted under international registration No. 1182416 on May 1, 2017. In the Designations subsequent to International Registration (Plaintiff's Exhibits 20-1 and 2) among the documents submitted by the defendant at the time of the subsequent designation, the designated service business of the subject service mark is indicated as "Children's entertainment services; providing facilities for entertainment" provision of entertainment facilities" under the International Classification of Goods and Services Class 41.

C) In response to the defendant's application for subsequent designation above, the KIPO examiner, through the Notification of Ex Officio Provisional Refusal (Plaintiff's Exhibit 5), notified of the grounds for rejection in accordance with Article 23(2)(i) of the Act (Plaintiff's Exhibit 5) on January 27, 2016, stating that "The subject service mark ① is identical or similar to the prior-registered trademark of another person, '**BOUNCE**' (registration No. 82880),' in mark and designated goods, constituting the grounds for rejection under Article 7(1)(vii) of the Act, ② is identical or similar to the earlier-filed service mark for which the application was filed earlier by another person, '**BOUNCE**' (international registration No. 1272899),' in mark and designated goods, constituting the grounds for rejection under Article 8(1) of the Act, and ③ is in violation of Article 10(1) of the Act because the described designated service business of the subject service mark, "Children's entertainment services; providing facilities for entertainment; providing facilities for entertainment; provision of entertainment facilities," is not specific or is too broad a definition to accept."

D) The grounds for rejection stated in the above Notification of Ex Officio Provisional Refusal include that "The above ground for

## PATENT COURT DECISIONS

rejection ③ may be reviewed if the applicant amends or deletes the identification to specify the definite commercial name for the services as shown in examples such as from ‘children’s entertainment services’ to ‘provision of play facilities for children, etc.,’ from ‘providing facilities for entertainment’ to ‘providing of amusement facilities, etc.,’ and from ‘provision of entertainment facilities’ to ‘provision of amusement facilities, etc.,’ and that “Please note that, while an application may be amended to clarify or limit the identification, addition to the identification is not permitted. Therefore, the applicant may not amend to include any goods/ services that are not within the scope of the goods and services recited in the present identification. Korean Trademark Act, Article 14(1), 16(1).”

E) The defendant handed in the (Submission of) Amendment to International Trademark Registration Application (Plaintiff’s Exhibit 21-1) on May 26, 2016 and amended the designated service business of the subject service mark to “Provision of play facilities for children; providing recreational and amusement facilities; providing recreational and amusement facilities featuring trampolines (hereinafter the above amendment is referred to as the “subject amendment”).

F) Regarding the earlier-filed service mark claimed by the plaintiff, the plaintiff filed an original application on July 27, 2015 and a divisional application on March 10, 2016 under application No. 41-2016-0011363 (related application No. 45-2015-6900) with ‘multi-sports playground franchise with installed trampoline facilities, business of providing and operating indoor playground facilities with trampolines’ under goods and services classification class 41, and was notified of the rejection decision by the KIPO examiner on September 1, 2017 on the ground of ‘the similarity to the subject service mark in mark and designated service business.’

### 2) Discussion

A) According to the above established facts, the subject

amendment falls under the ‘reduction of the scope of designated goods’ and ‘explanation of any obscure entry’ under Articles 86-19(3), 16(1)(i) and (iii) of the Act and therefore it is deemed reasonable to view that the purport of an application for trademark registration remains unchanged.

B) The plaintiff argues that the designated service business before the subject amendment falls under ‘providing of entertainment facilities (S110101)’ and the designated service business after the subject amendment falls under ‘providing of entertainment and amusement facilities (S121002)’ and that the designated service businesses before and after the above amendment are differentiated according to Plaintiff’s Exhibit 18 (KIPO’s Guidance for Similar Group Code for Goods and Services) and thus the subject amendment should be deemed to constitute the change of the purport. However, the identity or similarity of designated goods or service business must be determined according to the trade norms, taking into account the quality, use, shape, and trade practice and is not bound to the above goods and services classification. This is because the goods and services classification is for the convenience of trademark registration and not stipulated by law, nor can it be completely stipulated by law, and a number of new goods and services developed due to industrial development cannot be handled only with a fixed goods and services classification (see Supreme Court Decision, 81Hu41, dated December 28, 1982). Moreover, there is no basis for considering that the designated service business, “Children’s entertainment services; providing facilities for entertainment; provision of entertainment facilities,” before the subject amendment falls under the ‘entertainment industry’ in the above Guidance, and the above Notification of Ex Officio Provisional Refusal (Plaintiff’s Exhibit 5) by the KIPO examiner dated January 27, 2016 certainly assumes<sup>3)</sup> that the change

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3) Among the designated goods of the subject service mark, ‘Provision of play facilities for children, providing recreational and amusement facilities’

## PATENT COURT DECISIONS

made before and after the amendment to the designated service business does not constitute the change of the purport and therefore just the fact that ‘entertainment business’ and ‘providing of entertainment and amusement facilities’ are differentiated in the above Guidance cannot overturn the above established facts and the subject amendment cannot be deemed the change of the purport. The plaintiff’s argument is unacceptable.

C) In summary, as long as the subject amendment cannot be regarded as a change of the purport of an application for trademark registration, the filing date of application for the subject service mark should be regarded as July 3, 2015, when the subsequent designation of the Republic of Korea as a designated state is recorded in the International Register, in accordance with Article 86-14(1) and (2) of the Act. Therefore, the fact that the filing date of application for the subject service mark precedes July 27, 2015, the filing date of original application for the earlier-filed service mark claimed by the plaintiff, is certainly clear.

### C. Summary of Discussion

As a result, since the earlier-filed service mark claimed by the plaintiff cannot be considered to be filed earlier than the subject service mark, the subject service mark has no grounds for invalidation in accordance with Article 8(1) of the Act in its relationship with the earlier-filed service mark claimed by the plaintiff, with no need to further examine whether the subject service mark is similar to the earlier-filed service mark claimed by the plaintiff in mark and

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is a designated service business amended in the way as indicated in the example presented by the KIPO examiner, and the remaining designated service goods ‘providing recreational and amusement facilities featuring trampolines’ is a designated service business that is further reduced and limited than the example presented by the examiner.

designated service business.

## 6. Conclusion

As discussed above, the subject service mark falls under the grounds for invalidation under Article 6(1)(iii) and (vii) of the Act in its relationship with ‘providing recreational and amusement facilities featuring trampolines’ among the designated service businesses thereof, but in its relationship with ‘Provision of paly facilities for children, providing recreational and amusement facilities,’ except for the above designated service business, it cannot be considered to have grounds for invalidation under Article 6(1)(iii) and (vii) of the Act, nor has it the grounds for invalidation under Article 7(1)(vii) of the Act in its relationship with the prior-registered trademark and under Article 8(1) of the Act in its relationship with the earlier-filed service mark claimed by the plaintiff. As a result, the portion of the IPTAB decision that does not accept the plaintiff’s claim ‘providing recreational and amusement facilities featuring trampolines’ among the designated service businesses of the subject service mark has erroneous grounds for concluding otherwise, but the remaining decision concluding the same shall be upheld. Thus, the plaintiff’s claim to revoke the IPTAB decision is well grounded within the scope of the above recognition and shall be granted and the remaining claim is without merit and therefore dismissed.

Presiding Judge	Sungsik YOON
Judge	Soonmin KWON
Judge	Tacksoo JUNG

**PATENT COURT OF KOREA**  
**SECOND DIVISION**  
**DECISION**

<b>Case No.</b>	2019Heo3854 Rejection (Design)
<b>Plaintiff</b>	A
<b>Defendant</b>	Commissioner of the Korean Intellectual Property Office Counsel for defendant Seungho Ryu
<b>Date of Closing Argument</b>	September 26, 2019
<b>Decision Date</b>	October 24, 2019

**ORDER**

1. The decision rendered by the Intellectual Property Trial and Appeal Board on April 17, 2019, concerning the case numbered 2018Won3368 shall be revoked.
2. The cost arising from this litigation shall be borne by the defendant.

**PLAINTIFF'S DEMAND**

As ordered.

## **OPINION**

### **1. Background**

#### **A. Plaintiff's Claimed Design at Issue (Plaintiff's Exhibit No. 1)**

- 1) Filing date of application / filing No.: August 8, 2017 / 30-2017-36578
- 2) Article to which design is applied: Toothbrush head
- 3) Main content and drawing: As in [Annex 1].

#### **B. Prior Designs**

- 1) Prior design 1 (Plaintiff's Exhibit No. 13)

The design of the 'Toothbrush' posted in the registered design announcement numbered 30-0857663, announced on June 8, 2016, and the main content and drawing are as illustrated in [Annex 2].

- 2) Prior design 2 (Defendant's Exhibit No. 1)

The design of the 'Toothbrush' posted in the US design patent announcement numbered US D732,831 S, announced on June 30, 2015, and the main content and drawing are as illustrated in [Annex 3].

#### **C. Rejection Decision & Circumstances of Decision at Issue (Plaintiff's Exhibits No. 2 through 8)**

1) Concerning the plaintiff's claimed design at issue, the Examiner of the Korean Intellectual Property Office issued a Notification of Refusal to the plaintiff on November 7, 2017 (Plaintiff's Exhibit No. 2), reasoning that 'the filed design of this case is merely an assembly of the materials of the toothbrush head of prior

## PATENT COURT DECISIONS

design 2 onto the toothbrush head of prior design 1, and thus the design cannot be registered pursuant to Article 33(2) of the Design Protection Act.’

2) In this regard, the plaintiff submitted a response to the grounds for rejection on February 5, 2018 (Plaintiff’s Exhibit No. 7), reasoning that ‘he design at issue cannot be derived by a person skilled in the art to which the design belongs (hereinafter, ‘skilled person’) simply through assembly of prior designs 1 and 2.’ However, on March 15, 2018, the Examiner of the Korean Intellectual Property Office issued a Decision of Rejection (Plaintiff’s Exhibit No. 3 on the claimed design at issue, reasoning that ‘although re-examination was conducted as per the plaintiff’s response, nothing was discovered that would overcome the grounds for rejection dated November 7, 2017.’

3) The plaintiff submitted a response on April 9, 2018 (Plaintiff’s Exhibit No. 8) as per the petition for re-examination; however, on May 9, 2018, the Examiner of the Korean Intellectual Property Office once again issued a Decision of Rejection (Plaintiff’s Exhibit No. 4) against the claimed design at issue, reasoning that ‘although re-examination was conducted as per the plaintiff’s response and supplementary statements, nothing was discovered that would overcome the ground for rejection dated November 7, 2017.’

4) The plaintiff then appealed to the Intellectual Property Trial and Appeal Board on August 13, 2018, concerning the rejection above. Thereafter, the Intellectual Property Trial and Appeal Board conducted the appeal trial for the plaintiff under the number of 2018WON3368HO, deciding (Plaintiff’s Exhibit No. 5 to dismiss the trial, reasoning that ‘the original decision rejecting the registration pursuant to Article 33(2) of the Design Protection Act is reasonable since the claimed design at issue corresponds to one which may be created by the combination of prior designs 1 and 2 by a skilled

person.’

[Factual Basis] Undisputed facts, Plaintiff's Exhibits No. 1 through 8, and 13, Statements in Defendant's Exhibit No. 1, Purport of the overall argument

## **2. Discussion of Whether IPTAB Erred**

### **A. Summary of Plaintiff's Argument**

The position and shape of the space in which the toothbrush head of the claimed design at issue is not planted cannot be deemed to be easily derived by a skilled person by combining prior designs 1 and 2 or by creative techniques commonly employed in the field of design. Thus, the IPTAB erred in its decision since although the registered design at issue should have been deemed not to fall under Article 33(2) of the Design Protection Act, the IPTAB decided to the contrary.

### **B. Applicability of Article 33(2) of Design Protection Act to Claimed Design at Issue**

#### **1) Relevant law**

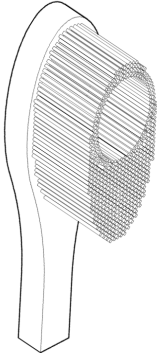
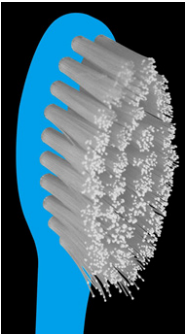
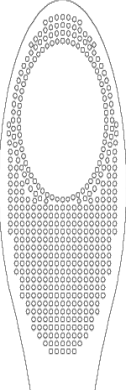
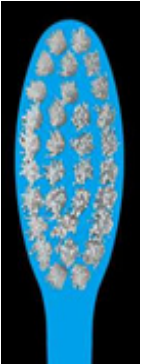
Article 33(2)(i) of the Design Protection Act provides that a design cannot be registered if it falls under Paragraph (1)(i) or (ii), or if a person skilled in the art to which the design belongs can easily create the design from combination thereof. However, the purpose of such provision is that even if and when one imitates, converts, or partially modifies the design's form, shape, color, or a combination thereof, if it amounts to a mere commercial or functional modification not recognized as having an overall aesthetic value, or if it amounts to a design whose extent of creativity is insignificant, such as a design


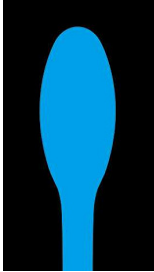
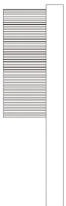

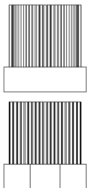
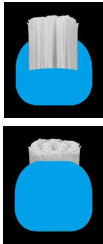
**PATENT COURT DECISIONS**

which has been modified or converted by a creative technique or expression method commonly employed in the field of design, no registration for the design shall be allowed since it may be easily created by a skilled person (refer to judgment numbered 2013Hu2613 issued on March 10, 2016, by the Supreme Court).

2) Comparison of claimed design at issue and prior design 1

The table below illustrates a comparison of the claimed design at issue and prior design 1. For purposes of convenience, only the toothbrush heads are compared.

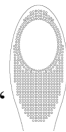
	Claimed Design at Issue	Prior Design 1
Perspect ive view		
Top view		


	Claimed Design at Issue	Prior Design 1
Bottom view		
Front & rear views		
Left & right side views		

### 3) Analysis of commonalities and differences

a) The part excluding the toothbrush head of the claimed design at issue and prior design 1 consists of an oval part and a handle part with similar curvature when viewed from the plane, and they share common shape from an aesthetic view since they are made of a similarly thin rectangular shape when viewed from the front.

b) However, the toothbrush head of the claimed design at issue has a space in which the toothbrush head is not bristled in an



oval shape at the top, appearing as ‘’, when viewed from the

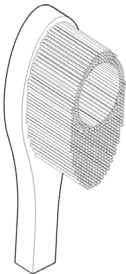

## PATENT COURT DECISIONS

plane, whereas the toothbrush head of prior design 1 does not have a space in which the toothbrush head is not bristled as such.

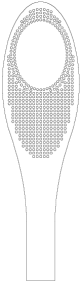




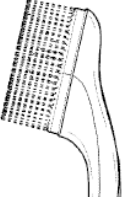
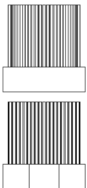
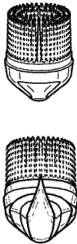
### 4) Analysis of differences

Due to such differences above, the claimed design at issue may be considered as having an aesthetic value which is different from that of prior design 1 when viewed in its entirety, and thus it is difficult to consider that a skilled person could easily create the same by combining prior design 1 with prior design 2. The reasoning therefor is as follows.

a) First, comparing prior design 2 and the toothbrush head part of the claimed design at issue, as illustrated in the comparison table below, prior design 2 has a space in which a certain part of the toothbrush head is not bristled inside the toothbrush head, thereby establishing a commonality with the toothbrush head of the claimed design at issue. However, there is a difference in that while prior design 2 has a space formed in a circular shape in which the toothbrush head is not bristled in the central part of the toothbrush head, the unbristled space of the toothbrush head of the claimed design at issue consists of an oval shape at the top of the toothbrush head.

	Claimed Design at Issue	Prior Design 2
Perspe ctive view		



# Tooth Brush Head Case

Top view		
Bottom view		
Front & rear views		
Left & right side views		

b) However, if and when the purport of the overall argument is combined with the statements of Plaintiff's Exhibits No. 9 and 11, the creative motif wherein the toothbrush head of prior design 2 is not bristled and made to form a circular shape at the center of the toothbrush head was intended to create a space for accommodating or discharging gel capsules containing oral care solutions such as

## PATENT COURT DECISIONS

toothpaste inside the toothbrush head, whereas the creative motif of forming the unbristled space of the toothbrush head of the claimed design at issue into an oval shape at the top of the toothbrush head may be recognized for its intention to secure a complex cleaning function due to the bristled part of the toothbrush head of each different form, given the formation of the bristled part of the toothbrush head of the semi-oval shape equipped with large area such

as ‘’ at the bottom of the toothbrush head and the bristled part of the toothbrush head having a thin semi-oval strip form such as ‘’ at the top of the toothbrush head.

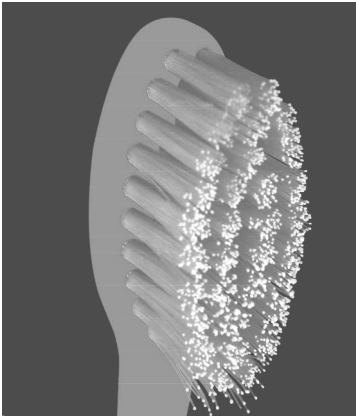
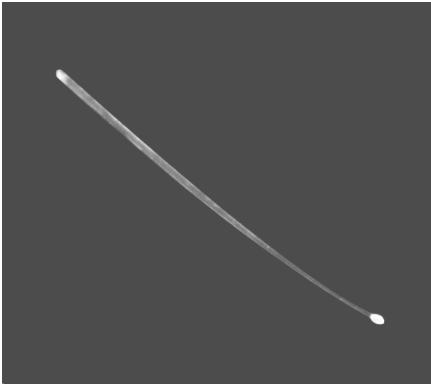
c) The fact that the technical form of the structure of the article is different is not directly relevant to the discussion of the availability of creation cost. However, even if it were a design which expresses functional characteristics, if it has created a shape which carries an aesthetic value among various shapes which can perform such functions, in lieu of having an appearance formed by considering functions only, it leads to the creation of such a design, and thus it may be said that the functional aspect could be considered in the discussion of the availability of creation cost. If the functional aspect could not be considered as the motif of creation for modern design, in which the functional aspect is further stressed in addition to the functions of the article carrying the design, it would not be possible to essentially protect the design by ignoring the characteristics of modern design.

d) As seen above, since the two designs differ in terms of the main creative motif, under only the circumstances that prior design 2 discloses a toothbrush design equipped with a circular empty space without the toothbrush head being bristled in the center of the toothbrush head, it ought to be deemed that it would be difficult for a skilled person to have motivation to form an empty oval space without

the toothbrush head being bristled at the top of the toothbrush head as in the claimed design at issue. Furthermore, the empty space of the toothbrush head is transformed from circular to oval, and the oval space is shifted from the center of the toothbrush head to the top; further, given that the placement and thickness of the toothbrush head at the top and bottom of the toothbrush head are symmetrical, and if the modification which makes the thickness of the head placement much thinner than the thickness of the bottom of the toothbrush head is a commercial or functional one that is not recognized as having other aesthetic values as a whole, or is merely a creative technique or expression commonly employed in the field of design, there is no ground to deem it a design with a low level of creativity, such as a design that has been modified, combined, or converted.

e) Furthermore, prior design 2, as illustrated in the figure on the right, may be considered as a design which gives rise to a gracefully curved toothbrush head and a sharp. pointed handle to create a unique aesthetic overall; however, separating only the toothbrush head of the above design and combining the same with prior design 1 would not only be hardly considered easy for a skilled person, but moreover, according to a description of its designer, the tip of the toothbrush head of prior design 1 is rounded, as illustrated in the figure below, thereby avoiding causing damage to teeth without hurting the gums, its intention being the effective use thereof to scrape food scraps, and it is also described as a design formed with the motif of the legendary tale of a flower blooming once every three millennia. Nonetheless, substituting prior design 1's toothbrush head, characterized by the unique shape of its toothbrush head, with the toothbrush head of prior design 2 may be deemed to be damaging to the significance of prior design 1's design or the aesthetic value intended by the designer, and thus, it is difficult to deem that it is a modification which a skilled person could easily achieve.

## PATENT COURT DECISIONS

Toothbrush head of Prior Design 1	Enlarged view of toothbrush head of Prior Design 1
	

### 5) Overall review of review results

Examining such circumstances in their entirety, the claimed design at issue is not one which may be easily created by a skilled person via the combination of prior designs 1 and 2, and thus, is not applicable under Article 33(2) of the Design Protection Act.

### C. Summary of Discussion

Therefore, the IPTAB, which, contrary hereto, determined that the claimed design at issue is applicable under Article 33(2) of the Design Protection Act, erred in its decision.

## 3. Conclusion

Therefore, a decision is rendered as ordered since the plaintiff's petition had grounds in seeking the revocation of the IPTAB's decision.

**Tooth Brush Head Case**

Presiding Judge	Jejeong LEE
Judge	Kisu Kim
Judge	Jiyoung Yi

[Annex 1]

### **Claimed Design at Issue**

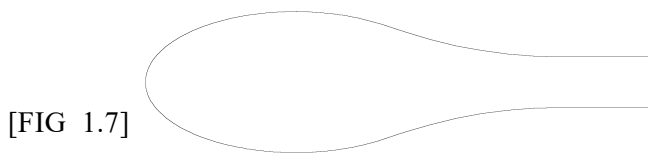
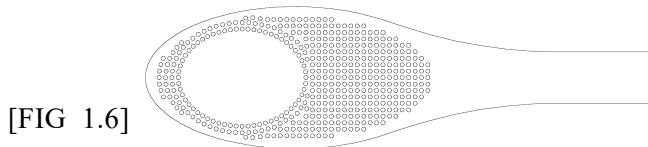
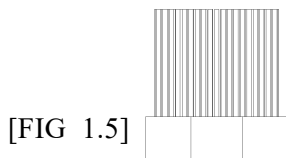
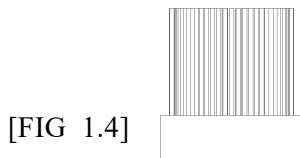
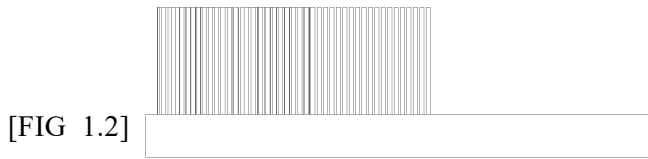
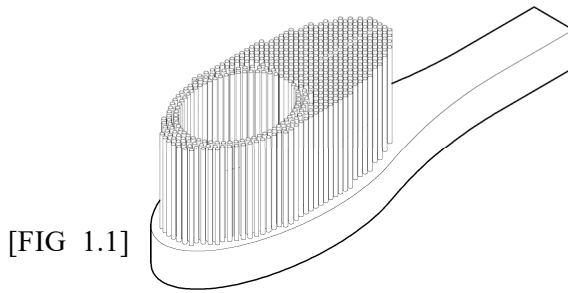
**【Article to Which Design Is Applied】** Toothbrush head

**【Description of Design】**

1. This design of a toothbrush head shall be made of synthetic resin.
2. This design, the circular shaped toothbrush head located at the front end of the toothbrush head, may be inserted in the space between the concealed tooth surface and the gum, and the dense toothbrush head at the latter part of the toothbrush head is intended to brush the tooth surface exposed to the outside of the gums.
3. This design has an oval space formed where the toothbrush head is not bristled and at the rear of the oval shaped toothbrush head at the front end of the toothbrush head, and the center of the oval space is shifted to the front of the toothbrush head, whereby the thickness of the placement area of the oval shaped toothbrush head at the front end is much thinner than that of the dense toothbrush head at the rear end of the toothbrush head.
4. FIG 1.1 is a perspective view of this design.
5. FIG 1.2 is a front view of this design.
6. FIG 1.3 is a rear view of this design.
7. FIG 1.4 is a left side view of this design.
8. FIG 1.5 is a right side view of this design.
9. FIG 1.6 is a top view of this design.
10. FIG 1.7 is a bottom view of this design.

**【Summary of Design's Creative Content】**

This design is based on the shape of the “Toothbrush head.”



[Annex 2]

## **Prior Design 1**

**【Article to Which Design Is Applied】** Toothbrush

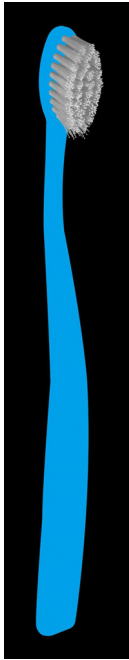
**【Description of Design】**

1. The material is synthetic resin.
2. This design is a partial design, and the portion excluding sky blue part is intended to be registered.
3. This design was created with the motif of the legendary tale of a flower which blooms once every three millennia.
4. This design is intended to have a rounded tip of the toothbrush head so that it can be effectively used to scrape food residues off of teeth without damaging the gums.
5. Additional FIG 1.1 is an enlarged view of the toothbrush head of this design, and Additional FIG 1.2 is an enlarged view of the toothbrush head of Additional FIG 1.1.

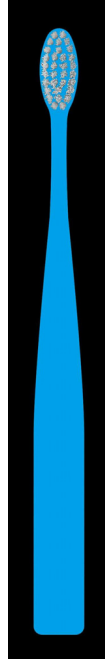
**【Summary of Design's Creative Content】**

The combination of the form and shape of this toothbrush design is the basis of the design's creative content.

## Tooth Brush Head Case



[FIG 1.1]



[FIG 1.2]



[FIG 1.3]



[FIG 1.4]



[FIG 1.5]



[FIG 1.6]



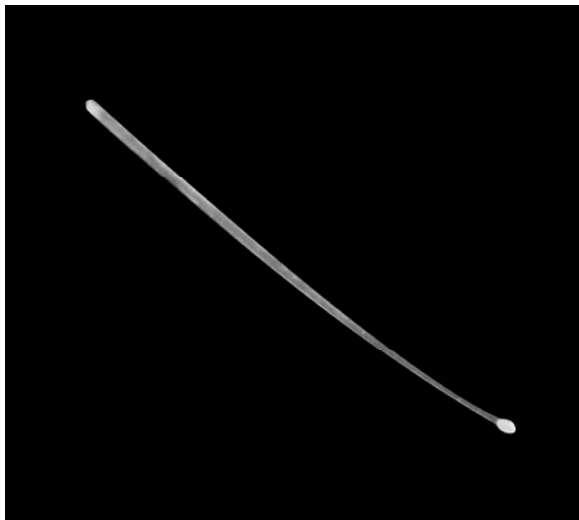
[FIG 1.7]

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[Additional FIG 1.1]



[Additional FIG 1.2]



[Annex 3]

**Prior Design 2**

**【Article to Which Design Is Applied】** Toothbrush



FIG. 1



FIG. 2



FIG. 3

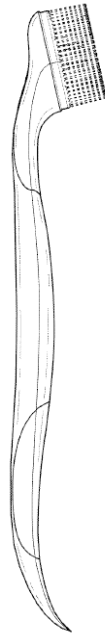


FIG. 4

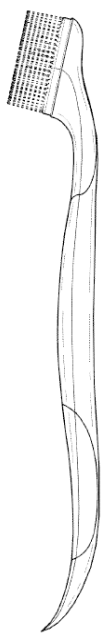


FIG. 5

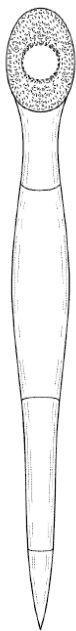


FIG. 6



FIG. 7



FIG. 8

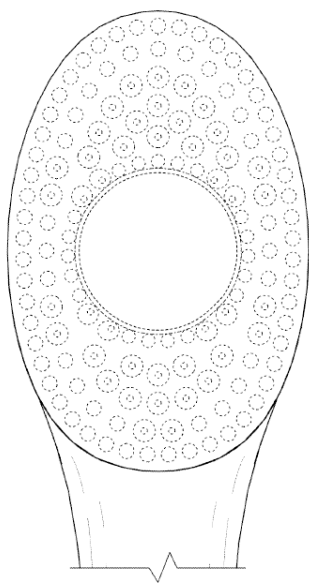


FIG. 9

. End.

**PATENT COURT OF KOREA**  
**FIFTH DIVISION**  
**DECISION**

**Case No.** 2019Heo6655 Invalidation of Registration  
(Design)

**Plaintiff** A  
Counsel for the Plaintiff  
Patent Attorney Youngsu KIM

**Defendant** B  
Counsel for the Defendant  
Patent Attorney Jaewan LEE

**Date of Closing Argument** April 3, 2020

**Decision Date** May 15, 2020

**ORDER**

1. The Plaintiff's claim is dismissed.
2. The Plaintiff shall bear the cost arising from this litigation.

**PLAINTIFF'S DEMAND**

The Intellectual Property Trial And Appeal Board (IPTAB) Decision (2019Dang873) dated July 23, 2019, shall be revoked.

## OPINION

### 1. Background

#### **A. Registered Design at Issue (hereinafter the “Subject Design”) (Plaintiff’s Exhibits 2 and 3)**

- 1) Filing Date/Date of Registration/Registration No.: May 14, 2012/July 2, 2013/No. 30-0700454
- 2) Article subject to the design (hereinafter the “Subject Article”): Floodlight lens
- 3) Description and drawing of the Subject Design: as provided in the Appendix
- 4) Design right holder: Defendant

#### **B. IPTAB Decision**

1) On March 14, 2019, the Plaintiff filed a petition to the IPTAB against the Defendant, who is the owner of the design rights. The Plaintiff sought the Registered Design to be invalidated because the Subject Article cannot be recognized as a product that is independently traded in its normal state, and its compatibility as well as the possibility of compatibility cannot be recognized and does not fall under the “article” element as stipulated in Article 2(i) of the old Design Protection Act (the Act that was replaced by Act No. 11848 on May 28, 2013, hereinafter the “old Design Protection Act”). Moreover, the Registered Design was registered in violation of Article 5(1) of the old Design Protection Act. Therefore, the registration shall be invalidated.

2) The IPTAB assessed the said petition as Case No. 2019Dang 873 and dismissed the Plaintiff's petition on July 23, 2019, because the Subject Article falls under the "article" in Article 2(i) of the old Design Protection Act and the design usable for an industrial purpose under Article 5.1 of the same Act.

**【Factual Basis】** Statements in Plaintiff's Exhibits 1, 2, and 3 and the purport of the overall argument

## **2. Whether or Not IPTAB Erred**

### **A. Summary of Parties' Arguments**

#### **1) Summary of Plaintiff's Arguments**

A) The Subject Article is named under the Product Classification Table of the Notification of the Korean Intellectual Property Office (KIPO) under Categories of Design Articles (KIPO Notification No. 2011-4, hereinafter the "KIPO Notification"). Nevertheless, the KIPO Notification is only intended to maintain consistency in the design registration application by encouraging the applicants to use uniform product names. It is not intended to determine whether the product meets the article requirement. Therefore, such determination must be done separately.

B) The Subject Article is a component used to manufacture end products such as automobile work lamps. It is bundled together with other components and designed to fit with other components. However, it can only be used with other components that go through the same component manufacturing processes. It is a made-to-order component for and by the end-product manufacturers and is used for making a specific end product. Therefore, it cannot be recognized as a product independently traded alone in its normal state.

C) The Subject Article is die-manufactured to form a specific

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shape according to the original design. It can only be used for the end product it was designed for because of its differences in size or the coupling grooves. Therefore, it cannot be recognized as compatible.

D) Furthermore, the end product made with the Subject Article is combined to a protective cover, housing, and lens through hot melting process during the final manufacturing stage. This makes it hard for end-users or traders to separate or disassemble the product to replace any of the components. Moreover, the Subject Article is not traded independently.

E) Given the Subject Article's structure and shape, its coupling structure with other components, and tradability in the market, the Subject Article cannot be traded independently because it lacks compatibility and the possibility thereof, not subject to an independent dealing and the possibility thereof, thus failing to meet the article requirement. Therefore, the administrative decision that differed from these conclusions is erroneous.

### 2) Defendant's Arguments

A) The Subject Design meets the article requirement because it was registered based on the "floodlight lens" listed in the Product Classification Table of the KIPO Notification, which has the effect of an administrative order that classifies the products eligible for design registration under Article 9(1) of the Enforcement Rules of the Former Design Protection Act and Article 11(2) of the old Design Protection Act, which supplements Article 2 (Definitions) and Article 5 (Requirements for Design Registration) of the same Act.

B) Furthermore, the Subject Article is or can be traded independently, and can be compatible for the following reasons: (1) Products to which the Subject Article was applied were advertised in automobile-related magazines, and products of the same kind as the Subject Article were sold or advertised in many Internet shopping

mall; (2) the Subject Article concentrates the light, and the application for the Subject Design's registration was made with 3D drawings, with the Subject Article in a slim shape with two screw-fastening parts, and this enables various assembly methods for lighting fixtures, which include hot melting, silicone bonding, and screw fastening. Therefore, consumers (manufacturers) can purchase articles applying the Subject Design to use them as parts for various lighting fixtures. (3) The Subject Article is interchangeable with the lens used in the Plaintiff's lighting fixtures.

C) Therefore, the administrative decision concluding the same is not erroneous because the Subject Design is usable for an industrial purpose under the body of Article 5.1 of the Former Design Protection Act.

## **B. Whether the Subject Design Is Subject to Article 2(i) of the Former Design Protection Act**

### **1) Relevant Law**

The term "article" referred to in Article 2(i) of the old Design Protection Act pertains to a tangible property with independence. An article must be independently tradable in its normal state for it to be eligible for design registration. If that article is a part of a product, then it implies its compatibility. However, it does not necessarily mean that the part is traded and compatible. It is eligible for design registration as long as it is the subject of such an independent transaction and has the possibility of compatibility. (Supreme Court Decision, 98Hu2900, decided April 27, 2001; Supreme Court Decision, 2003Hu274, decided July 9, 2004).

### **2) Established Facts**

The following facts are acknowledged based on the statements and

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images in the Plaintiff's Exhibit 27 and the Defendant's Exhibits 3, 4, 8 through 12, 16, 20 through 23, and 27 (including hyphenated numbers, if any; the same applies hereinafter) along with the purpose of the overall argument.

A) LED floodlights<sup>1)</sup> used as the work lamp for automobiles, heavy equipment, and ships are manufactured by assembling lenses (the Subject Article) with a reflector inside a space formed by a front protective cover and rear housing. A printed circuit board (PCB) assembly is also placed inside the space.


B) In the 20th issue of Trucks and Special Vehicles in 2012, an automobile-related magazine, various products manufactured by C operated by the Defendant are featured under the "Parts" category. Among them, in the "LED circular tail lamps" column, as shown in the picture on the right, the finished product's images and product name, "LED circular tail lamp (MODEL NO: KT11-R)," are provided. Underneath the model number is the statement, "this product shall not be reproduced without permission since its lens and reflector are patented and protected under patent law." Below the statement, lenses that are components of the circular tail lamps above are shown in various colors, including the image of the lens to which the Subject Design is applied (the lenses are marked by a red square).





1) The term "floodlight" refers to a lighting unit such as a headlight, searchlight, and lamp. (Source: Naver, Doopedia)

Under the “LED WORK LAMP” column, a picture of a finished product, “LED rectangular work lamp (Model: LK85-3),” that appears to have applied the Subject Design is featured. The same content and picture above are also featured in the 24th issue of Trucks and Special Vehicles in 2015.


C) In addition to selling finished work lamps, C Auto, which is operated by the Defendant, separately sold the lens and a part of the work lamp to D on August 5, 2013.

D) In “COUPANG”, which is a domestic online shopping mall, a diffused lens light shaped as  is on sale for the LED interior lights that can be installed on the New SM-5-XE, SE, and PE vehicles. Auction, a domestic Internet shopping mall, also sells the LED circular substrate for lighting and lens set, and its lens part



shaped . Z (www.Z.co.kr), an online shopping mall selling

LED lighting fixtures in Korea, sells LED lenses shaped as ]

and ].

E) E, a Chinese lighting fixture manufacturer, advertises a number of lenses for LED floodlights shaped as  on its website.<sup>2)</sup> In Alibaba<sup>3)</sup>, a global online shopping mall, lenses shaped as




] and ] for LED floodlights and manufactured by F, a Chinese lighting fixture manufacturer, are traded. Y (www.Y.com), an online shopping mall selling lighting fixtures in China, categorized various lighting parts, such as LED lens, reflectors, and lamp



2) <https://www.bicomoptics.com/en/products/classtwo.aspx?Bid=5&sid=506>


3) <https://www.darkoo.en.alibaba.com/>


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covers/shades, under “Lighting Components.” It also sells a LED floodlight lens shaped as .

F) Both the floodlight manufactured by G Ind., which is operated by the Plaintiff (model name: SH-L107, hereinafter the “Plaintiff’s Product”), and C’s floodlight (model name: LK85-3, hereinafter the “Defendant’s Product”), which uses the Subject Article, consist of five main components: the protective cover, floodlight lens, reflector, PCB, and housing. In other words, it is possible to assemble the Plaintiff’s Product with the lens used for the Defendant’s Product. As shown in the picture below, it is also possible to assemble the Plaintiff’s Product using an assembly (the reflecting plate consisting of floodlight lenses and a reflector) used in the Defendant’s Product by combining a part (reflective plate for the emitter).

Plaintiff’s Product (Finished Product)	Defendant’s Product (Finished Product)	A product comprising the Plaintiff’s Product and the Defendant’s assembly (the reflecting plate comprised of lenses and a reflector)
		

G) The Plaintiff filed an application on November 29, 2017 for a design shaped as ‘’ for a “work lamp lens,” as the article subject to the design, which was registered on July 13, 2018 (No. 30-0950903). On June 19, 2018, the Plaintiff filed another application

for a design shaped as ‘’, for a “LED work lamp,” as the article subject to the design, which was registered on July 12, 2019 (No. 30-1015566).

### 3) Analysis

According to the established facts above, it is reasonable to say that the Subject Article, “floodlight lens,” is not an end product but a part of a floodlight.

However, given the following facts and circumstances acknowledgeable based on the established facts above and the purport of the overall argument shown in the statements of the Plaintiff’s Exhibit 43 and images, the Subject Article should be considered compatible and independently tradable by the traders who buy the Subject Article to manufacture their floodlights, although it is rarely an independent trade item for general consumers.



① (a) Floodlights that use the Subject Article as a component are manufactured by contacting and forcibly combining the lens to a reflector inside a space formed by a frontal protective cover and rear housing, then placing a combinative body that is a combination of PCB assembly, and then combining them altogether. Given the manufacturing method of a floodlight, it is difficult to say that the floodlight lens must be manufactured together with other parts constituting the floodlight. It is foreseeable that the end-product manufacturer can manufacture end products (the floodlight) by assembling reflectors and PCBs with any purchased lenses as long as they meet the required specifications;<sup>4)</sup> (b) Many domestic and overseas companies make products identical or similar to the Subject

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4) The Plaintiff admitted that it purchases LED and provides it to its PCB supplier to have the LED-assembled PCB ready for its finished product. (Plaintiff’s brief dated October 17, 2019)

## PATENT COURT DECISIONS

Article, and some companies have categorized the lighting fixture parts, including lenses, on their websites. Furthermore, the Defendant posted a photo of the part to which the Subject Design was applied featured in the automobile-related magazine, Trucks and Special Vehicles, along with a statement that the Subject Article, aside from the end products, was granted a design registration. The Defendant had also sold the lenses separately; (c) As the Plaintiff has admitted<sup>5)</sup> that many companies other than the Defendant trade a number of end products that appear to have applied the design identical or similar to the Subject Design [in particular, the number and arrangement of the

lenses in the LED lamps (  ) and (  ) manufactured by J seem to be identical to those of the Subject Design, as stated in the Plaintiff's Exhibit 39]. As such, the Subject Article can be traded independently because floodlight lens manufacturers can sell the lens to other end manufacturers.

② Furthermore, given the Subject Design's characteristics above and the manufacturing method of the end product, the Subject Article's compatibility is recognizable because any lens can be purchased in the market for replacement, as long as it meets the required specifications and regardless of whether the floodlight lenses or reflectors are manufactured by different companies. (For example, it may be possible to assemble a lens made by the Defendant with a reflector made by the Plaintiff, and vice versa.)

③ The floodlight lens are included in the Product Classification Table of the KIPO Notification that was valid at the time of applying for the design registration of the Subject Design. However, the lens' inclusion does not mean that the article is recognized as "usable for an industrial purpose" because the KIPO Notification's purpose is to maintain consistency in the design registration application by

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5) Plaintiff's brief dated October 14, 2019

encouraging the applicants to use uniform product names, a Subject Design and Subject Article that are identical or similar, and many similar designs that are registered, in which multiple lenses form a rectangular or circular-shaped plate. The Plaintiff also registered two designs similar to the shape of the Subject Design for the articles “lens for work lamp” and “lens for LED work lamp.”

#### 4) Discussion on Plaintiff’s Arguments

A) The Plaintiff argues that the floodlight lenses (the Subject Article), a reflector, and a PCB are placed inside a space formed by a frontal protective cover and rear housing and that the protective cover, the housing, and the lenses, among others, are hot melted or bonded with silicone to manufacture the end product. Such a manufacturing method makes it impossible for general users to dismantle or disassemble the end product. Should an ordinary trader dismantle the end product, the groove or protruding parts of the product will be damaged in the dismantling process and it will be impossible to replace the damaged components, so none of the components can be traded separately in their normal state, and the compatibility or the possibility of compatibility is missing.

However, given the following facts and circumstances acknowledgeable based on the purport of the argument shown in the statements of the Plaintiff’s Exhibits 32 through 37, it is difficult to conclude that the Subject Article cannot be traded independently and that there is no possibility of compatibility as the Plaintiff has argued above. ① As shown earlier, end-product manufacturers can purchase lenses (the Subject Article) separately to assemble them with other components, such as reflectors and PCBs, and to make end products. ② Manufacturers can produce end products through various methods, including hot melting as purported by the Plaintiff. These methods include silicone bonding and screw fastening, as there are no restrictions on the assembling of the Subject Article with other

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components. Therefore, the Plaintiff's arguments above are without merit.

B) The Plaintiff argues that parts whose dimensions and specifications are prescribed under the Korean Industrial Standards (KS) can be obtained in the market for replacement or substitution even if they are made by different manufacturers. Parts whose names and prices are listed as price information published by official agencies can be traded regularly because their dimensions and specifications are standardized under the KS. On the other hand, the Subject Article's dimensions and specifications are not standardized, and products applied with a design identical or similar to the Subject Design have varying shapes, forms, and prices. Therefore, the Plaintiff argues that the Subject Design fails to meet the article requirement.

A part can be used as a replacement or substitution of an existing part, even if its dimensions and specifications are not standardized under the KS or its name and price are not listed as official price information, as long as its specifications match those of the existing part. The part's dimensions and specifications can likely be adjusted according to the buyer's request and the price may also change depending on the order size or type of materials. Therefore, it is unreasonable to conclude that there is no possibility of independent trade or compatibility for the Subject Article as in the Plaintiff's argument and the Plaintiff's argument above is without merit.

### **5) Summary of Analysis**

In summary, it can be said that the Subject Article can be a subject of a design under the old Design Protection Act.

### **C. Summary of Discussion**

Therefore, the Subject Design's registration cannot be invalidated, and the IPTAB Decision that is consistent with the aforementioned

analysis shall be upheld.

### **3. Conclusion**

The Plaintiff's claim to revoke the IPTAB Decision is without merit and is, therefore, dismissed.

Presiding Judge	Seungryul SEO
Judge	Yunhyung JEONG
Judge	Donggyu KIM

[Appendix]

### List (Subject Design)

#### **[Description of the Design]**

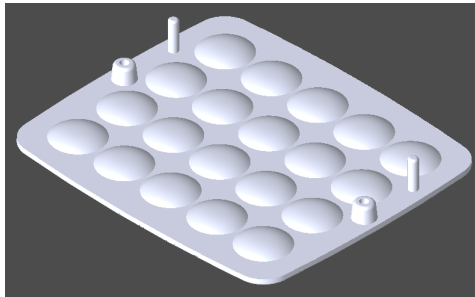
The lens used in floodlights collect light emitted from light sources, such as LEDs, to a particular range, and it is made from synthetic resin.

#### **[Essence of the Creation]**

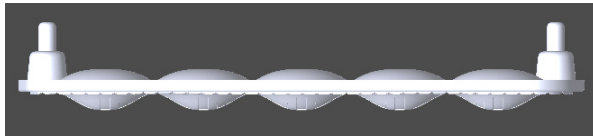
Shape and Pattern of the Floodlight Lens

#### **[Drawings (Extracted from 3D Drawings)]**

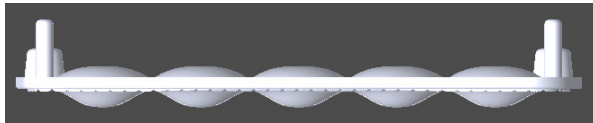
[Drawing 1.1]



[Drawing 1.2]

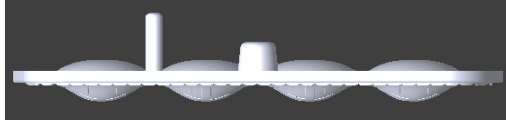


[Drawing 1.3]

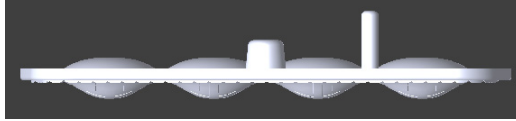


## Floodlight Lens Case

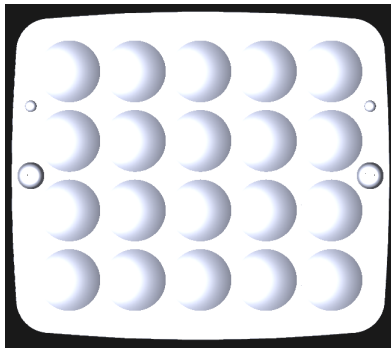
[Drawing 1.4]



[Drawing 1.5]



[Drawing 1.6]



[Drawing 1.7]



End.

