

발 간 등 록 번 호

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【Case Study Association of IP High Court】

2023

Leading Case Summaries of IP High Court of Korea



International IP Law Research Center



Since *Leading Case Summaries of IP High Court of Korea* includes decisions that are still under appeal and not yet finalized, please take caution when citing them in trial or academic articles. In addition, the IP High Court of Korea posts the original Korean text of all decisions on its website on a monthly basis:

(<https://patent.scourt.go.kr/dcboard/new/DcNewsListAction.work?gubun=42>)

Please refer to the court's website to find the full original text of any decision referenced in this book. (ex. To access the full Korean text of 2021Heo223 decision, please click the tab labeled '특허법원 2022년 10월 판결' and find the file '2021허223' within the corresponding .zip file on the above-mentioned website.)

PROLOGUE

It has been 25 years since the Intellectual Property High Court of Korea was established on March 1, 1998. Its establishment was unprecedented, as it was not confined to a specific territorial or subject matter jurisdiction but was instead designed as a specialized court for patent cases, etc. at a new judicial level. I would like to express my deep respect and gratitude to those who laid the foundation of the IP High Court up from the ground. Today, more than ever before, technology is of great importance as computers, information and communications, and artificial intelligence has rapidly advanced. It has become an essential and indispensable part of our daily lives, much like companion or clothing. Intellectual property rights, such as patents, which provide the legal framework for regulating technology, will be instrumental in shaping our future. In the midst of intense global technological competition, the importance of a robust intellectual property legal system cannot be overstated.

The *Leading Case Summaries of IP High Court of Korea* provides key issues and summaries of the decisions issued by the IP High Court in 2023. They have been carefully selected as valuable sources that judges can refer to for future decisions. Each decisions, considered individually, may not have a significant impact, but I strongly believe that this book serves as a guiding light - much like stars in the night sky - for professionals navigating the vast ocean called intellectual property laws.

One of the poems in the *Classic of Poetry*, dating back to as early as the 11th BC, states, “The song of a crane can be heard from the sky even when it sings deep in the valley.” I hope this book can serve as that very song – a voice that carries the dedication and commitment of the IP High Court judges all over the world.

21st Chief Judge of the IP High Court of Korea
KIM Yongsuk

This book, originally published in Korean in 2023, has now been made available in English following database processing by the International IP Law Research Center. This publication is especially significant in that it will serve as a foundation for enhancing the international credibility of the decisions of the IP High Court of Korea by facilitating their broader dissemination and citation worldwide.

HAN Kyu-hyun

Chief Judge of the IP High Court of Korea /

Chief General of the International IP Law Research Center

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I. Litigation Requirements, etc.

01. Scope of Hearing

Case on Method to Provide Travelling Route

(Third Division) IP High Court Decision 2021Heo223, decided October 13, 2022

Subject Matter	[Patent (Application)] A method and a computer system to provide the route from source to destination or the traveling time
Administrative Decision	IPTAB Decision 2021Won110, decided November 30, 2021
Category	Rejection (Patent)
Reference Decision	Reference Decision Supreme Court Decisions 2013Hu1054, decided September 26, 2013 and 2009Hu2371, decided September 8, 2011

Issue at Hand

Whether the request for an administrative trial against rejection can be dismissed on the grounds that the decision on “what are the similarities and differences between the claimed invention and the prior art and whether a person having ordinary skill in the art is able to overcome the difficulties and easily invent the claimed invention” changes (Defensive)

Case Overview and Issues

The plaintiff filed a patent application of an invention on “A method and a computer system to provide the route from source to destination or the traveling time” [Application Date (that of the original application)/Date of Claimed Priority/Application Number (that of the original application): April 18, 2019 (April 19, 2018)/December 21, 2017/10-2019-0045438 (10-2018-45558)]. The examiner of the Korean Intellectual Property Office (hereinafter, “KIPO”) issued

a notice of grounds for rejection on August 27, 2020, which includes an office action only stating that the corresponding elements in Claim 1 and Prior Art 1 are substantially the same or Claim 1 can be easily derived from Prior Art 1. Although the plaintiff submitted a written opinion and amendment, the examiner issued a rejection decision on December 29, 2020, stating that the grounds for rejection previously noticed were not resolved. The plaintiff filed an administrative appeal on January 15, 2021, with the Intellectual Property Trial and Appeal Board (hereinafter, the “IPTAB”) to revoke the rejection decision, but the IPTAB rendered a decision on November 20, 2021, to dismiss the plaintiff’s claim on the grounds that ① while Claim 1 and Prior Art 1 have a difference, ② the element resulting in the difference in Claim 1 is the same as the corresponding element of Prior Art 2, and ③ the difference can be easily overcome by combining Prior Art 1 with Prior Art 2.

Summary of Decision

The administrative decision was revoked.

▣ Decision on whether the plaintiff was given a substantial opportunity to submit a written opinion

○ The grounds for rejection noticed in the examination process include that each element in Claim 1 “is the same as the corresponding element in Prior Art 1,” “is substantially the same as the corresponding element of Prior Art 1,” and “can be easily derived (reached) from the corresponding element disclosed in Prior Art 1.” In other words, the notice only state that the corresponding element of Claim 1 is (substantially) the same as or can be derived (reached) from those of Prior Art 1 but does not provide the differences between Claim 1 and Prior Art 2 or why those differences can be overcome.

○ Meanwhile, in the administrative decision at issue, an inventive step of Claim 1 is

denied on the grounds that ① Claim 1 and Prior Art 1 are different in that “an element that calculates traveling time using mathematical random variables” in Claim 1 is not disclosed in Prior Art 1, ② the element resulting in the difference are the same as the corresponding element in Prior Art 2, and ③ the difference can be easily overcome by combining Prior Art 1 with Prior Art 2. Therefore, whether the grounds for invalidation of Claim 1 in the administrative decision at issue are valid or not mainly depends on whether Claim 1 and Prior Art 1 are different in that only one of the two includes the element resulting in the difference, whether the element is the same as the corresponding element of Prior Art 2, whether it is easy to combine Prior Art 1 with Prior Art 2, and whether the element can be easily derived by combining the two. However, it is not deemed that the plaintiff was given a substantial opportunity to submit written opinions.

○ The defendant argues that the grounds for rejection noticed in the examination process and the grounds for the administrative decision at issue have the same purpose and the latter only specifies and explains the former in more detail. However, the defendant’s argument is without merit for the following reasons.

- The main ground for the administrative decision is that Claim 1 and Prior Art 1 have a difference that can be easily overcome by combining Prior Art 1 with 2, which is not included in the grounds for rejection noticed in the examination process.

- The grounds for rejection noticed in the examination process only states that “(a) a step of receiving requests including the source and the destination position,” an element easily derived from Prior Art 1, can also be easily derived from the corresponding element of Prior Art 2. Therefore, Prior Art 2 is not necessary to deny an inventive step of Claim 1. However, according to the grounds for the administrative decision at issue, Prior Art 2 is to easily overcome the difference between Prior Art 1 and Claim 1 by being combined with Prior Art 1.

○ Summarizing the foregoing, the grounds for the administrative decision at issue

are a mere supplement to the grounds for rejection previously noticed in the examination process since the office action does not provide enough purport and reasons to offer to the plaintiff a substantial opportunity to submit written opinions.

Case on Whether Elements Added in Amendment for Reexamination Can Be a New Ground for Rejection

(Fifth-Two Division) IP High Court Decision 2022Heo3335, decided February 2, 2023

Subject Matter	[Patent (Application)] Wiring Connection Structure for Heating Mats That Can Be Built Through Wet Construction
Administrative Decision	IPTAB Decision 2021Won3007, decided April 25, 2022
Category	Rejection (Patent)
Reference Provision	Articles 47, 62, 63, and 170 of the Patent Act
Reference Decision	Supreme Court Decisions 97Hu341, decided November 28, 1997; 2001Hu2702, decided December 26, 2003; and 2012Hu1439, decided February 15, 2013

Issue at Hand

The procedural error of the rejection decision and administrative decision at issue was not acknowledged in a case where the plaintiff specified the claimed invention through the amendment for reexamination by adding a new element to it, and the examiner of the Korean Intellectual Property Office (the “KIPO”) rendered a rejection decision based on the same prior art as that in the notice of grounds for rejection previously issued without issuing another notice of grounds for rejection. The reasons are as follows: The grounds for rejection are based on the embodiment of the prior art the same as that in the grounds for rejection in the office action previously noticed, and these grounds are nothing new since it is not deemed that another prior art has been added or the grounds are based on a different embodiment; According to the written

opinion submitted by the plaintiff for reexamination amendment, it is not deemed that the plaintiff was given an opportunity to submit opinions regarding the corresponding part of the prior art.

Case Overview and Issues

The KIPO examiner issued a notice of grounds for rejection where an inventive step of Claim 1 of the claimed invention of the plaintiff was denied by the embodiment of the prior art and requested to submit written opinions. In response, the plaintiff specified the invention by adding some elements in the amendment for reexamination, and the examiner made a rejection decision based on the same embodiment in the prior art. The plaintiff then filed a petition for administrative trial against rejection, arguing that since the elements in the prior art are presented as corresponding elements of the added elements and thus as the grounds for rejection for the first time by the rejection decision, they are new grounds for rejection and that the examiner's decision erred procedurally as the plaintiff was not given an opportunity to submit a written opinion regarding the new ground for rejection.

Summary of Decision

The claim was dismissed.

1. Relevant Law

In order to reject a patent application in the examination process, the examiner shall give the applicant an opportunity to submit a written argument by issuing a notice of grounds for rejection, and for the Intellectual Property Trial and Appeal Board (the “IPTAB”) to decide that the rejection decision is lawful for a different reason, the plaintiff shall be given an opportunity to submit a written opinion for that reason (See Articles 62, 63, and 170 of the Patent Act). However, in case the rejection decision is based on the reason substantially the same as that in

the notice of grounds for rejection, not on a new, different reason, the examiner does not have to provide the plaintiff with an opportunity to submit a written opinion by issuing another notice for grounds for rejection (See Supreme Court Decisions 97Hu341, decided November 28, 1997; 2001Hu2702, decided December 26, 2003, etc.). Even if the Commissioner of the KIPO presented a new reason for the rejection in an action to revoke the IPTAB decision that dismissed the petition for administrative trial against rejection, the reason still can be the basis to determine the merits of the administrative decision in case it has the same purport as the ground for rejection regarding which an opportunity to submit a written opinion was given to the plaintiff in the examination process or the administrative trial. Especially, in case the ground for rejection previously noticed is that the inventive step of the claimed invention was denied by the prior art, the documents to prove well-known and commonly used art exists in the technical field to complement the prior art at the time of the patent application are not deemed to be the documents regarding new publicly known art. Therefore, even if the court in a revocation action decided that the inventive step of the subject invention is denied based on the documents, it is not deemed that its decision is based on a new ground for rejection that has a different purport than the ground previously noticed (See Supreme Court Decision 2012Hu1439, decided February 15, 2013, etc.).

2. Whether Rejection Decision and Administrative Decision Procedurally Erred

A. Given the following facts and circumstances, it is difficult to conclude that the amendment for reexamination resulted in a new ground for rejection or that a procedural error occurred where the plaintiff was not given an opportunity to submit a written opinion.

1) To seek reexamination, the plaintiff amended Claim 1 and at the same time submitted a written opinion, which reviews the technical content of the embodiment of the prior art and then argues, “None of the prior art references describe or imply technical elements

that correspond to the added elements of Claim 1.” Therefore, it is unreasonable to conclude that the plaintiff was not given an opportunity to submit a written opinion regarding the parts of the prior art that correspond to the elements added by the plaintiff in the amendment for reexamination.

2) The grounds to reject the registration of the structure for switch boxes specified by the addition of the plaintiff in the amendment for reexamination are as follows: The grounds for rejection are based on the embodiment of the prior art the same as that in the grounds for rejection in the office action previously noticed. and these grounds are nothing new since it is not deemed that another prior art has been added or the grounds are based on a different embodiment;

3) Regarding the plaintiff's petition for reexamination, the specification and drawings in the patent application can only be amended when the petition for reexamination is filed based on Article 47(1)3 of the Patent Act, and no further amendment is not allowed unless there are other circumstances. If the amendment for reexamination resulted in a new ground for rejection, as argued by the plaintiff, the KIPO examiner should have dismissed the amendment in the reexamination (Article 51(1) of the Patent Act).

B. Therefore, the IPTAB decision to uphold the decision to reject the registration of the plaintiff's claimed invention does not have the illegality argued by the plaintiff.

Case on Cantilever Beam

(Fourth-One Division) IP High Court Decision 2022Heo1971, decided May 31, 2023

Subject Matter	[Patent (Application)] Cantilever Microvalve and Inkjet Printer Using the Same
Administrative Decision	IPTAB Decision 2021Won1755, decided December 29, 2021
Category	Rejection (Patent)
Reference Provision	Article 29(2) of the Patent Act
Reference Decision	Supreme Court Decision 2015Hu2341, decided October 31, 2019

Issue at Hand

1. Whether the prior arts are easy to be combined (Defensive)
2. Whether an inventive step can be determined based on the combination method that results in the change in the main prior art (Defensive)

Case Overview and Issues

The KIPO examiner rejected the patent application by the plaintiff on the grounds that the invention lacks an inventive step since it can be easy to be derived by combining Prior Art 1 with Prior Art 2. The plaintiff requested an administrative trial against rejection, but the IPTAB rendered an administrative decision to dismiss the request on the grounds that the patent was denied of an inventive step by Prior Arts 1 and 2.

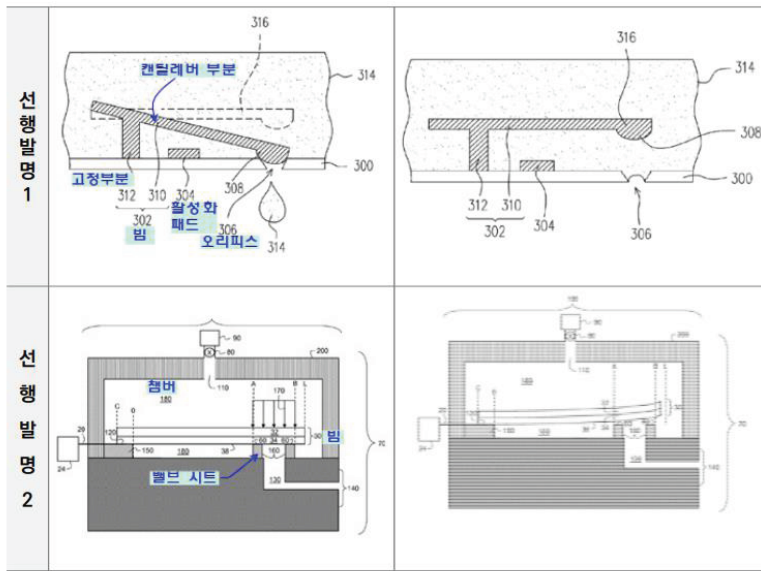
Summary of Decision

The administrative decision was revoked.

1. Whether the prior arts are easy to be combined

A. The main technical content of Prior Art 1 is to control--quickly open and close--the valve by using the electrical cantilever beam while keeping the valve open, and when the fluid is discharged from the print head, it is discharged in the form of droplets, unlike Claim 1, where the fluid is continuously discharged. Meanwhile, the corresponding element disclosed in Prior Art 2 is the structure of a normally closed orifice using a normally closed valve with the internal pressure of the chamber higher than the external one. Thus, there is a fundamental difference between Prior Art 1 and Prior Art 2 in the basic valve structure and the way that the fluid is discharged.

B. Prior Arts 1 and 2 are the same in that the cantilever beam controls the discharge of the fluid by quickly and repetitively opening and closing the valve in both inventions. However, with the normally closed valve in Prior Art 2, the fluid is continuously discharged due to the difference between internal and external pressures, while with the normally open valve in Prior Art 1, the cantilever beam generates local pressure instantly with the pressing force, discharging the fluid with the internal pressure no different than the external one. Therefore, even if Prior Art 1 is combined with the cantilever beam, which is the corresponding element in Prior Art 2, the fluid would be discharged in the form of droplets by the local pressure resulting from opening and closing the valve unless the internal pressure of the plenum (chamber) gets higher than the external one.



국문	영문
선행발명 1	Prior Art 1
선행발명 2	Prior Art 2
캔틸레버 부분	Cantilever part
고정부분	Fixture
빔	Beam
활성화 패드	Activation pad
오리피스	Orifice
챔버	Chamber
밸브시트	Valve seat
빔	Beam

C. Therefore, for a person having ordinary skill in the art to combine Prior Art 1 with the corresponding element of Prior Art 2, the person shall change in Prior Art 1 the method to discharge the fluid inside the print head and all the other individual technical elements that are connected organically. Simply changing the structure where the cantilever beam opens and closes the valve seat to that of Prior Art 2 would not result in the combination mentioned above.

2. Scope of Hearing

Even if a person having ordinary skill in the art can find the technical motivation to reach the combination of Prior Arts 1 and 2, the combination can only be reached when the person uses Prior Art 2 as the main invention and introduces some corresponding elements in Prior Art 1 of the normally open orifice structure mentioned above based on the normally closed orifice structure considering the description of the specification of Prior Art 2. The ground for rejection based on the combination of Prior Arts 1 and 2 is deemed a new one that has a purport different than the grounds already noticed about the claimed invention.

02. Ne Bis in IDem

2023 Leading Case Summaries | I. Litigation Requirements, etc

Case on Tension Adjusting Device

(First Division) IP High Court Decision 2021Heo4485, decided June 8, 2023

Subject Matter	[Patent Right] Cable Tension Adjusting Device of Buildings
Administrative Decision	IPTAB Decision 2020Dang2375, decided July 5, 2021
Category	Invalidation (Patent)
Reference Provision	Article 136 of the Patent Act

Issue at Hand

The plaintiff petitioned for a trial of invalidation of the patented invention, but the Korean Intellectual Property Trial and Appeal Board (IPTAB) dismissed its petition, stating that “the invention’s inventive step is not denied by the prior arts¹.” The plaintiff argued that Claim 4 of the patented invention (hereinafter, “Claim 4,” the same applies to the remaining claims) is “denied of an inventive step by the prior arts,” seeking the invalidation of its registration. However, it is concluded that since Claim 4 is not denied of an inventive step by the prior arts that cannot be convincing evidence to revoke the previous final administrative decision, the plaintiff’s request is based on the same facts and evidence as the decision, which is a breach of non bis in idem stated in Article 136 of the Patent Act, and therefore, is unlawful.

Case Overview and Issues

The plaintiff filed a petition seeking invalidation of the patented invention (No. 855206),

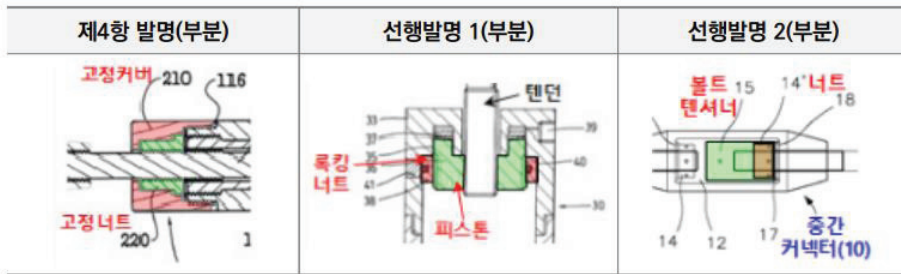
¹The “prior arts” here are different from the ones in this case.

which was dismissed by the IPTAB on the grounds that the invention “is not denied of an inventive step by the prior arts.” Then, the plaintiff once again petitioned for a trial of invalidation of registration, arguing that the invention “is denied of an inventive step by the prior arts.” The IPTAB issued an administrative decision to invalidate the registration of Claims 1, 2, 3, and 5 and dismiss the plaintiff’s petition regarding Claim 4, stating, “Claims 1, 2, 3, and 5 can be easily invented based on the prior arts and thus lack an inventive step. The prior arts are not convincing evidence to revoke the previous final administrative decision. Therefore, the plaintiff’s petition for a trial of invalidation of Claim 4 is a breach of non bis in idem and thus unlawful.” The plaintiff sought to revoke a part of the decision regarding Claim 4, arguing that Claim 4 is denied of an inventive step as it can be easily invented by combining Prior Art 1 or Prior Art 2 with Claim 4.

Summary of Decision

The claim was dismissed.

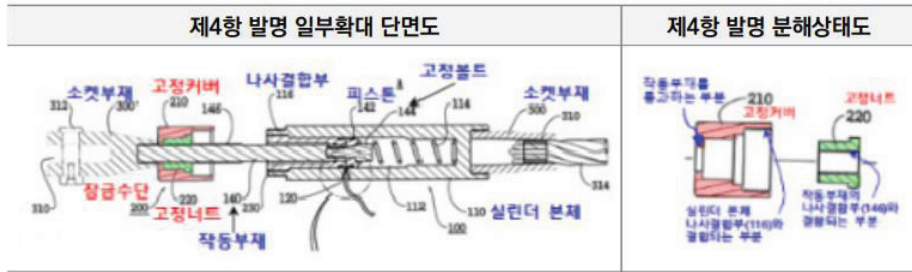
1. When comparing Claim 4 with Prior Art 1 or Prior Art 2, The locking device in Claim 4 consists of a locking cover (210) and a locking nut (220), and the locking cover (210) is screwed together to the screw joint (116) formed at the latter part of the cylinder body (110) and the locking nut (220) to the screw joint (146) formed on the actuating member (114). However, the locking device in Prior Art 1 only consists of the locking nut (38) combined with the screw thread on the outer surface of a piston, and the locking device in Prior Art 2 only consists of the nut (14’) combined with the screw thread on the tension rod.



국문	영문
제4항 발명(부분)	Claim 4 (Part)
고정커버	Locking cover
고정너트	Locking nut
선행발명 1(부분)	Prior Art 1 (Part)
록킹너트	Locking nut
텐던	Tendon
피스톤	Piston
선행발명 2(부분)	Prior Art 2 (Part)
볼트 텐서너	Bolt tensioner
너트	Nut
중간 커넥터(10)	Intermediate connector (10)

2. The difference described above cannot be easily overcome by combining Prior Art 1 or Prior Art 2 with the locking nut disclosed in Prior Art 4 for the following reason.

The locking cover (210) in Claim 4 is designed not to rotate even when the locking nut (220) rotates. Thus, even when the actuating member (140) rotates by external force, rotating the locking nut (220) screwed to the actuating member, the locking cover (210) does not follow suit and stays as it is.



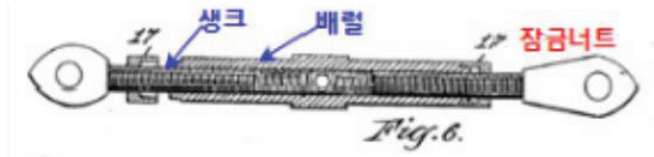
국문	영문
제4항 발명 일부확대 단면도	Enlarged Sectional View of Part of Claim 4
소켓부재	Socket member
고정커버	Locking cover
나사결합부	Screw joint
피스톤	Piston
고정볼트	Locking bolt
소켓부재	Socket member
잠금수단	Locking means
고정너트	Locking nut
작동부재	Actuating member

실린더본체	Cylinder body
제4항 발명 분해상태도	Exploded View of Claim 4
작동부재를 통과하는 부분	Part that passes through the actuating member
고정커버	Locking cover
고정너트	Locking nut
실린더 본체 나사결합부(116)와 결합되는 부분	Part combined with the screw joint (116) of the cylinder body
작동부재의 나사결합부(146)와 결합되는 부분	Part combined with the screw joint (146) of the actuating member

Especially, the locking cover (210) stops the actuating member (140) from getting loose as it rotates, and the combination nut inside the cylinder is blocked by the locking nut when the actuating member (140) gets tight as it rotates. Thus, the movement of the actuating member is limited. Therefore, Claim 4 has an effect that keeps tension unchanged even if the tension-controlled actuating member (140) rotates due to a strong vibration or shock.

Prior Art 4 discloses a locking nut (17) screwed together with the end of the barrel and the shank. The drawing below shows that when the shank gets loose by external force, the tension cannot remain. The working effect of the locking nut (17) in Prior Art 4 is not substantially the same as that of the element of the locking cover and the locking nut disclosed in Claim 4.

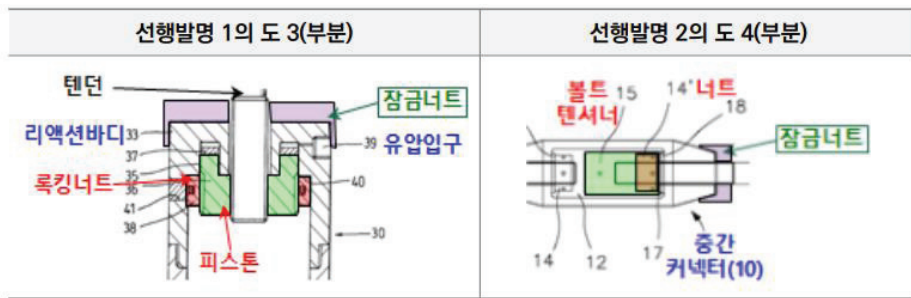
선행발명 4 턴버클 실시예



국문	영문
선행발명 4 턴버클 실시예	Embodiment of Turnbuckle in Prior Art 4
생크	Shank
배럴	Barrel
잠금너트	Locking nut

It is not easy as well to combine Prior Art 1 or Prior Art 2 with the element of the locking nut of Prior Art 4. ① As seen above, in Claim 4, the movement of the actuating member is limited even when the locking nut rotates, the tension stays the same. Meanwhile, in Prior Art 1, the locking nut (38) is screwed to the piston combined with the tendon, and in Prior Art 2, the nut (14') is screwed to the tension member, keeping each tension the same. However, when the tendon or the tension member rotates, the locking nut (38) or the nut (14') rotates together, moving the tendon downward and the tension member outward of the intermediate connector, unable to keep the tension the same. In Prior Art 4, the tension remains the same as the locking nut (17) is screwed to the shank and the end of the barrel, but when the shank rotates and gets loose by external force, the locking nut (17) follows suit, unable to keep the tension the same. Prior Arts 1, 2, and 4 have a technical problem and a working effect than Claim 4 as they cannot keep the tension the same when the tendon, tension member, and shank rotate. ② Prior Arts 1

and 2 do not include the recognition of the problem that the tension does not stay the same when the actuating member rotates by external force, etc. and the motivation to be combined with the locking nut of Claim 4. ③ A significant change in structure is required to reach Claim 4 by combining Prior Art 1 or Prior Art 2 with the locking nut (17) of Prior Art 4.



국문	영문
선행발명 1의 도 3(부분)	Drawing 3 of Prior Art 1 (Part)
텐던	Tendon
잠금너트	Locking nut
리액션바디	Reaction body
유압입구	Hydraulic inlet
록킹너트	Locking nut
피스톤	Piston
선행발명 2의 도 4(부분)	Drawing 4 of Prior Art 2 (Part)
볼트 텐서너	Bolt tensioner

너트	Nut
잠금너트	Locking nut
중간 커넥터(10)	Intermediate connector (10)

3. Claim 4 is not denied of an inventive step by combining Prior Art 1 or Prior Art 2 with Prior Art 4. Since Prior Arts 1, 2, and 4 cannot be convincing evidence to revoke the previous final administrative decision, the plaintiff's request is based on the same facts and evidence as the decision, which is a breach of non bis in idem stated in Article 136 of the Patent Act, and therefore, is unlawful. The IPTAB decision is lawful as it is consistent with this conclusion.

II. Patent Act (Utility Model Act)

01. Publicly Known Prior Art

Case on Tribenzazole Amine Derivative

(Fifth-Two Division) IP High Court Decision 2022Heo3809, decided May 25, 2023

Subject Matter	[Patent Right] Tribenzazole Amine Derivatives and Organic Electroluminescent Device Including the Same
Administrative Decision	IPTAB Decision 2020Dang3238, decided May 20, 2022
Category	Invalidation (Patent)
Reference Provision	Article 29(3) of the Patent Act
Reference Decision	Supreme Court Decision 2008Hu736,743, decided October 15, 2009

Issue at Hand

Whether the compound described in a literal sense in the prior art can be considered to be disclosed in the prior art when determining novelty or applying the extended first-to-file rule (Defensive) in case the compound cannot be practiced, such as cannot be produced

Case Overview and Issues

The defendant filed a petition seeking invalidation against the plaintiff in the Korean Intellectual Property Trial and Appeal Board (IPTAB), reasoning, “Claims 1 to 4 at issue all violate the extended first-to-file rule in Article 29(3) of the Patent Act.” The IPTAB rendered the administrative decision at issue to invalidate the registration of the patented invention at issue, stating that “the patented invention at issue violates the extended first-to-file rule.”

“The compound (27)” described in the prior art in a literal sense is equivalent to the tribenzazole

amine derivatives in [Chemical Formula 1] where R1 to R3 are hydrogen atoms, and there is no dispute between the parties regarding this.

Eventually, regarding whether Claim 1 is equivalent to the invention shown in the specification or the drawing of the prior art and thus violates the extended first-to-file rule in Article 29(3) of the Patent Act, the question is whether the compound (27) in the prior art can be deemed to be an invention disclosed in the prior art.

Summary of Decision

Whether the compound (27) is an invention disclosed in the prior art

1. Relevant Law

(1) In order to conclude that the prior art discloses a specific compound, it is not enough that the compound is included in principle in the chemical formula in Markush structures and in the range of its substituent. Rather, the compound shall be described in a literal sense in the prior art or a person having ordinary skill in the art shall directly recognize the existence of the compound from the prior art based on its description and common technical knowledge at the time of the application (See Supreme Court Decision 2008Hu736,743, decided October 15, 2009).

(2) Meanwhile, even if the specific compound is described in the prior art in a literal sense or a person having ordinary skill in the art can directly recognize its existence, in case the compound is inexecutable--such as the person cannot produce the compound based on the description of the prior art and common technical knowledge at the time of the application--the compound is not deemed to be disclosed in the prior art in determining whether the invention has novelty or violates the extended first-to-file rule.

2. Analysis

(1) Detailed description in the compound (27) of the prior art, etc.

The prior art is an invention that aims to provide an organic EL element with good luminous and power efficiency, disclosing amine compounds with capping layer material of organic EL element and a benzoxazole ring structure in General Formula (A-1). The prior art discloses 85 compounds as examples of a desirable amine compound in General Formula (A-1), and among them is the compound (27). Therefore, it is deemed that the prior art describes in a literal sense and in detail the existence of the compound (27), and from this description, a person having ordinary skill in the art can directly recognize the compound (27) to be useful as capping layer material of organic EL element.

(2) Whether the compound (27) can be executed

Though the prior art does not directly describe an example of producing the compound (27), a person having ordinary skill in the art can make the compound (27) from the prior art based on its description and common technical knowledge at the time of the application.

Regarding this, the plaintiff argues that since “APBO,” the starting material in Reaction Formula 2 producing the compound (27), is not commercially common enough to be acquired easily and producing “APBO” requires finding bibliographic items through meticulous search in the paid professional chemical database and finding the source again to check its produceableness, producing the material exceeds the level of effort of a person having ordinary skill in the art that does not require excessive experiment.

However, considering the level of technological development at the time of the application, that is, the fact that a person can access the database about the relevant technical information any time due to the commercialization of the internet and the advancement of search engines; easily look for literature about a specific compound published around the world with the name

or the structural formula of the compound without extra time and effort; and quickly and easily order and receive reagents online from various foreign suppliers, a person having ordinary skill in the art does not have to conduct excessive experiment to check if “APBO” can be produced or acquired based on Defendant’s Exhibits 1 to 5 and prepare the material. Therefore, the plaintiff’s argument cannot be accepted.

02. Identity (Novelty, etc.) of Invention

Case on Traffic Card Terminal

(Fourth-Two Division) IP High Court Decision 2022Heo1391, decided October 26, 2022

Subject Matter	[Patent Right] Traffic Card Terminal Accepting Multiple Service Provider
Administrative Decision	IPTAB Decision 2021Dang494, 2021Dang120 (Consolidation), decided on December 10, 2021
Category	Invalidation (Patent)
Reference Provision	Articles 29(1) and 29(2) of the Patent Act
Reference Decision	Supreme Court Decision 2017Hu2154, decided April 24, 2018

Issue at Hand

Whether the patented invention at issue lacks novelty and an inventive step

Case Overview and Issues

The defendants filed an action to invalidate the registration of the plaintiff's patent, and the Korea Intellectual Property Trial and Appeal Board (hereinafter, the "IPTAB") issued an administrative decision to accept the request of the defendants, stating that the registration of the invention at issue shall be invalidated since the invention is equivalent to Prior Art 1 and thus denied of novelty and an inventive step and that the application of the invention at issue was done by an unentitled person and violates the rule of a joint application.

Summary of Decision

The claim was dismissed.

Each element of the invention at issue is equivalent to the corresponding element of Prior Art 1, and thus, the invention is denied of novelty by Prior Art 1. As long as the invention lacks novelty, it can be easily invented by a person having ordinary skill in the art with Prior Art 1, denying the invention of an inventive step as well.

1. Prior Art 1 specifies the technical problem of the invention at issue by describing that transportation card service providers consider “daisy-chaining,” the traditional connection method, to have a problem where the time and processes it takes to read a card increase proportionally to the number of service providers, and it also explains why CONFIG DF is introduced to solve the technical problem. Thus, Prior Art 1 has the technical problem and the purpose of the introduction exactly the same as those of the invention at issue.

2. The plaintiff’s demand that there is no need to separate each transportation card service provider in Prior Art 1 is without merit for the following two reasons: 1) Service providers should be separated from one another in the invention at issue and Prior Art 1 in order to perform payment for each provider and 2) In the first step of Prior Art 1, CONFIG DF is selected to check if the card can be used nationally, and if it can, a standard card DF is selected in the second step by each transport card service provider to perform payment; Between the steps is a process where the service provider is recognized from EFCOFIG data.

3. Prior Art 1 specifies why CONFIG DF is introduced to solve the problem of daisy-chaining: The time and processes it takes to read a card increase proportionally to the number of service providers. Thus, Prior Art 1 has the technical problem and the purpose the same as those of the invention at issue, and the purpose of the invention at issue is not deemed to go against that of

Prior Art 1. Further, as Prior Art 1 discloses an element that separates multiple transport card service providers using unique identifiers of IDCENTER, Prior Art 1 has the technical flow equivalent to that of the invention at issue.

Case on Blackout Curtains and Manufacturing Method

(Fourth-Two Division) IP High Court Decision 2022Heo1537, decided December 21, 2022

Subject Matter	[Patent Right] Cubic Fabric and Manufacturing Method Thereof
Administrative Decision	IPTAB Decision 2018Dang1650, decided October 31, 2018
Category	Scope of Rights Confirmation (Patent)
Reference Provision	Articles 29(1)(i) of the Patent Act
Reference Decision	Supreme Court Decisions 81Hu56, decided July 26, 1983 (en banc), and 2011Hu4011, decided April 26, 2012

Issue at Hand

1. Whether the prior art was publicly practiced (Positive)
2. A case that held that the scope of the rights of the invention is not acknowledged as it is identical to the prior art which is a publicly practiced invention

Case Overview and Issues

The defendants (patentees) petitioned against the plaintiff to the Korean Intellectual Property Trial and Appeal Board (hereinafter, the “IPTAB”) for an administrative trial for affirmative confirmation of the scope of rights, and the IPTAB decided to accept the petition. However, the Intellectual Property High Court (hereinafter, the “IP High Court”) revoked the administrative decision before remand, reasoning, “The invention at issue and the invention

that was arguably practiced cannot be considered the same based on the facts.” The defendants then filed an appeal, and the Supreme Court reversed the decision, stating, “Since Claim 1 is an invention of a thing, it shall be considered to be about the product itself even though the claim describes the fabric-making process. However, the lower court concluded that the plaintiff is not practicing the invention at issue after limiting the scope of the invention to the products manufactured through the manufacturing process described additionally.” After remand, there was no dispute between the parties on whether the invention at issue was practiced, but they disputed whether the patented invention can be considered the same as the publicly practiced prior art based on the purport of the Supreme Court’s reversal.

Summary of Decision

The administrative decision was revoked.

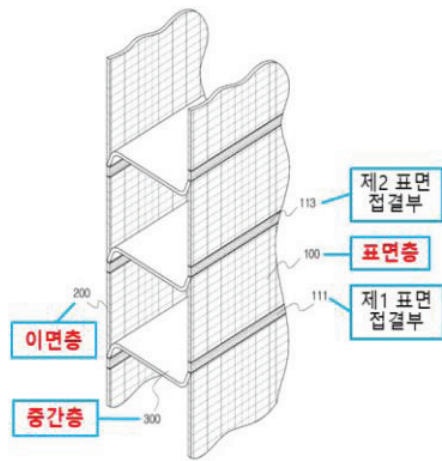
1. Whether the prior art was publicly practiced

The prior art was publicly executed within the country before the date of claimed priority of the invention at issue. ① The defendants argue that the product in the prior art is not for sale and though A argued that it applied for delivery in the preceding case, A did not actually deliver the products, and thus, the prior art is not deemed to be a publicly practiced invention which unspecified individuals who got delivery can understand the contents. However, the defendants’ argument above is without merit since delivery (transfer) is just a type of process through which unspecified individuals can understand the contents of the prior art and there is no condition for a publicly practiced invention to be for sale or to be actually on sale. ② Further, the defendants argue that the prior art is not a publicly practiced invention since the prior art does not disclose Elements 2 and 5 of Claim 1 and unspecified individuals couldn’t recognize the contents of the prior art as A did not provide explanations on Elements 2 and 5 when applying for delivery. However, whether the elements equivalent to Elements 2 and 5 of Claim 1 are

disclosed in the prior art shall be considered when determining whether the prior art lacks novelty not when determining whether the prior art is a publicly practiced invention, and whether an invention includes specific elements shall be determined based on whether such elements are objectively and substantially disclosed in the prior art, not on whether the invention provides explanations. Therefore, the defendants' argument above is groundless with no need to further examine it.

2. Whether Claim 1 is identical to the prior art

Claim 1 describes, “① the surface part is woven from the surface slope only and the surface connection is woven from the surface slope and the middle slope that forms the middle layer (Element 3), ② the backside is woven from the backside slope only and the backside connection is woven from the backside slope and the middle slope (Element 4), and ③ the middle layer is woven from the middle slope only (Element 5),” while the prior art does not disclose any contents about the elements in detail. However, Elements 3 to 5 of Claim 1 show a status or a shape where the surface part, the backside, the middle layer, the surface connection, and the backside connection are interconnected through weaving, without glue or adhesive used, and folding and unfolding with such means to open and close the curtain stands and lays down the middle layer, having a working effect of making the light pass through or blocked. The prior art also presents a shape or a status where the front curtain fabric, the back curtain fabric, the blackout curtain fabric, and the front and back connecting knots are interconnected through weaving, without glue or adhesive used, and folding and unfolding with such means to open and close the curtain stands or lays down the blackout curtain fabric, having a working effect of making the light pass through or blocked. Thus, the elements and the working effect of the prior art are identical to those of Claim 1. Therefore, Claim 1 lacks novelty as it is identical to the prior art.



이 사건 특허발명의 도 11

국문	영문
이 사건 특허발명의 도 11	Drawing 11 of Invention at Issue
이면층	Backside
중간층	Middle layer
제2표면 접결부	Second connection
표면층	Surface layer
제1표면 접결부	First connection

03. Technical Field

Case on 2-Stroke Internal Combustion Engine

(Second Division) IP High Court Decision 2022Heo3267, decided December 14, 2022

Subject Matter	[Patent Right] 2-Stroke Internal Combustion Engine, the Operation Method, and the Conversion Method Thereof
Administrative Decision	IPTAB Decision 2021Dang773, decided March 23, 2022
Category	Invalidation (Patent)
Reference Provision	Article 29(2) of the Patent Act

Issue at Hand

A case that held that the invention at issue is denied of an inventive step as it can be easily invented from the prior arts

Case Overview and Issues

The plaintiffs filed a petition seeking invalidation against the defendant, arguing, “The registration of the invention at issue should be invalidated since the invention is denied of an inventive step by Prior Arts 1 to 3.” The defendant filed for correction regarding Claims 1, 11, 17, and 18, and the Korean Intellectual Property Trial and Appeal Board (hereinafter, the “IPTAB”) accepted the correction and dismissed the plaintiffs’ petition, reasoning, “The amended invention at issue is not denied of an inventive step by Claims 1 to 3.”

Summary of Decision

The administrative decision was revoked.

1. Whether Claim 1 is denied of an inventive step

As the specification of Prior Art 1 does not describe whether the pilot fuel provided into the precombustion chamber is liquid fuel and where exactly to install the precombustion chamber, Prior Art 1 is different than Element 1-5 (Difference 1). While in Elements 1-6 and 1-8, the lean-burn two-stroke internal combustion engine is operated with only liquid fuel by using the backup injector only, instead of gas fuel and the backup injector providing liquid fuel into the combustion chamber, Prior Art 1 includes a fuel injection device but does not include an element that provides liquid fuel as combustion fuel or a description that the lean-burn two-stroke internal combustion engine can be operated only with liquid fuel. Thus, the prior art is different than the two elements (Difference 2).

It is unreasonable to conclude that a person having ordinary skill in the art has any difficulty in installing the precombustion chamber within the cylinder cover in the dual-fuel engine and adopting liquid fuel as the pilot fuel for the following reasons: Prior Arts 2 and 4 describe the technology of ignition through the preliminary chamber; Prior Arts 1, 2, and 4 all use diesel as the dual-fuel engine, and a person having ordinary skill in the art would be well aware that diesel is used as igniting fuel; and A person having ordinary skill in the art would also be well aware that the precombustion chamber is located on the cylinder cover. Therefore, Difference 1 can be easily overcome by Prior Arts 2 and 4.

Likewise, Difference 2 can be easily overcome by Prior Art 2 considering the following facts: There is enough incentive to add Prior Art 2 to Prior Art 1 since Prior Art 2 also uses dual-fuel engine; The dual-fuel engine is based on a diesel engine, which has an inherent function of operating on 100% diesel, and it is optional to keep the function on; Operating on the diesel mode is inherent or at least is easy to choose in Prior Art 1; It is not deemed to go against the

technical problem of Prior Art 1 to prepare the traditional diesel injector additionally for backup to operate the engine only with diesel and without the pilot system, just like the traditional diesel engine; It is easy to recognize that with the 2-stroke diesel engine, simply adding the gas operating mode would make a 2-stroke dual-fuel engine, even without removing the full diesel mode; and A person having ordinary skill in the art would easily think of installing a fuel injection device on the cylinder cover when adding the device in Prior Art 2 to Prior Art 1 since the device shall be located either on i) the cylinder wall or ii) the cylinder cover.

Therefore, the amended Claim 1 can be easily invented by a person having ordinary skill in the art based on Prior Arts 1 and 2 or Prior Arts 1 and 4.

2. Whether Claim 11 is denied of an inventive step

Elements 11-2 to 11-5 compose the preamble of the operation method of the 2-stroke internal combustion engine in the amended Claim 11, and Prior Art 1 does not specify any corresponding description (Difference 3).

However, since Elements 11-2 to 11-5 are simple descriptions of the operation method of traditional uni-flow 2-stroke dual-fuel engines, the 2-stroke dual-fuel engine in Prior Art 1 would operate in the same way even though Prior Art 1 does not provide such descriptions. Also, Prior Art 3 discloses the operation method of 2-stroke dual-fuel engines, including--just like Elements 11-2 to 11-5--the steps to supply air through the pipes installed in the cylinder when the cylinder descends (Steps b, c, and d); the step to stop air from going into the cylinder after the piston blocks the inlet port while the exhaust port stays open (Step f); the step to inject natural gas into the cylinder after the descending piston passes the bottom dead point (Step e); and the step to close the exhaust port (Step g). Therefore, Difference 3 can be easily overcome when a person having ordinary skill in the art considers the basic operation process of the 2-stroke dual-fuel engine in Prior Art 1 or applies the basic operation process of the 2-stroke dual-

fuel engine of Prior Art 3 to Prior Art 1.

3. Whether Claim 18 is denied of an inventive step

Element 18-1 concerns “the conversion method to convert the 2-stroke engine operating with liquid fuel into the 2-stroke lean-burn gas engine.” While Prior Art 1 also includes a 2-stroke lean-burn gas engine (2-stroke dual-fuel engine), it does not specify whether the engine is originally designed as a 2-stroke lean-burn 2-stroke engine or it is converted from a 2-stroke engine operating with liquid fuel (Difference 6). Prior Art 1 does not provide an element that corresponds to the step to remove the worn-out cylinder cover as in Element 18-3 (Difference 7) or an element that corresponds to the step to install the backup injector on the cylinder cover (Difference 8).

Difference 6 is related to transforming a traditional diesel engine into a 2-stroke lean-burn gas engine. Prior Art 2 discloses the technology that converts a 2-stroke diesel engine into a 2-stroke dual-fuel engine (Generally, a dual-fuel engine is developed as an engine used only as a dual-fuel engine, or a diesel engine can be converted into a dual-fuel engine through a kit). Thus, Difference 6 can be easily overcome by applying the technology in Prior Art that transforms a diesel engine into a lean-burn gas engine to Prior Art 1.

As described above, Prior Art 2 discloses a technological idea to transform an old 2-stroke single-fuel engine into a 2-stroke dual-fuel engine. More specifically, it transforms the engine into a dual-fuel one by combining the cylinder head (24) with a torch cell (50) in order to operate the engine on gas while not replacing the whole cylinder cover. Thus, in Prior Art 2, a part of, not the whole of, the cylinder cover is changed. However, a person having ordinary skill in the art can choose whether he or she replaces the entire worn-out cylinder cover with a new one or reuses a part of the removed cover that can still be used and replaces the rest with new parts considering the structure or the status of the engine subject to reform. Therefore, Difference 7 can be easily overcome when a person having ordinary skill in the art refers to

Prior Art 2.

4. The elements of the remaining amended claims can also be easily invented based on the prior arts and thus, the amended invention at issue is denied of an inventive step.

Case on 3D Automatic Modeling Program

(Second Division) IP High Court Decision 2021Heo6023, decided November 4, 2022

Subject Matter	[Patent Right] Method and Program for Modeling 3-Dimension Structure Automatically Based on 2-Dimension Floor Plan
Administrative Decision	IPTAB Decision 2021Dang579, decided October 28, 2022
Category	Invalidation (Patent)
Reference Provision	Article 29(2) of the Patent Act

Issue at Hand

A case that held that the amended invention is denied of an inventive step since the amended Claims 2 and 3 can be easily invented based on Prior Arts 3 and 4 or Prior Arts 3, 4, and 6 and the amended Claims 6 and 8 can be easily invented based on Prior Art 3 or Prior Art 6

Case Overview and Issues

The defendant filed a petition seeking invalidation against the plaintiff, reasoning, “Claims 2, 3, 6, and 8 are denied of novelty or an inventive step by Prior Arts 1 to 5, and thus shall be invalidated.” The Korean Intellectual Property Trial and Appeal Board (hereinafter, the “IPTAB”) accepted the defendant’s petition, concluding, “Claims 2, 3, 6, and 8 are denied of an inventive step by Prior Arts 1 and 3.” The plaintiff petitioned for a correction trial in the IPTAB to correct the scope of claims, and the IPTAB accepted the plaintiff’s petition, which became final.

Summary of Decision

The claim was dismissed.

1. Whether Claim 2 is denied of an inventive step

Elements 1 to 4 and 7 are substantially the same as Prior Art 3 as they both ① acquire 2D floor plan drawings (2D images, 2D floor plans); ② extract the segments of the lines from the drawings (floor plans with only lines left and with colors designated according to the codes)--based on different colors, parse the drawings into multiple images in binary versions that have parts belonging to the specific structure--and create shapes (floor plans that were converted into polyline images as in Drawing 9 by another program that converts the binary images into vector images, that is, polylines of the outlines of colored areas); ③ identify (separate) the sub-areas within the shapes (floor plans converted into polylines) and the space types of the sub-areas; ④ apply height information that corresponds to the space type of the sub-area and create a 3D spatial model (a 3D image with a different height for each sub-area; Drawing 6); and ⑤ include multiple pixels (Raster images consist of pixels), each of which has an RGB value (Color-coded values are used as images input into the program with a color-coded polyline approach).

Elements 5 and 8 of Claim 2 are substantially the same as Prior Art 3 or Prior Art 6 since in both inventions, the segments of the lines are identified with the color that represents the segment within the drawing and a specific RGB value (black) is identified as an outer wall (wall).

Elements 6 and 9 of Claim 2 are substantially the same as Prior Art 3 as in both inventions, the recognized segments of the lines are identified as vertex coordinate values (peak coordinate values) and shapes are formed based on (by connecting) the values.

However, the two inventions differ in that while Element 9 of Claim 2 specifies that “the vertex of the recognized segment of the line” is “where the continuing color in the drawing

above stops in one direction,” Prior Art 3 does not specify a detailed method to identify vertices (coordinates) of the segments of the lines in the binary image (input floor plan) when the Ras2Vec converts the binary image into polylines.

But this difference can be easily overcome when a person having ordinary skill in the art combines Prior Art 3 with Prior Art 4 or Prior Art 3 with Prior Arts 4 and 6 considering the following facts: Element 9 of Claim 2 indicates how to identify the point where the color above stops (where specific values change) in one direction (the direction that a cluster of a specific size moves as well as the direction that follows a segment of a line consisting of pixels with specific RGB values) as a vertex of a segment of a line, which is substantially the same as the element in Prior Art 4 where the vertex (peak) of the recognized segment of the line (a raster line shape formed by aligning pixels of line shape data of one color) is where a continued color stops in one direction (a direction where pixel values of one color stops in) (where the direction changes and where the values of the pixels change); Prior Arts 3, 4, and 6 and the amended invention share the same technical field; The technical problem of Prior Art 3 is the same as that of Prior Art 4; and It is unreasonable to conclude that combining Prior Art 3 with Prior Art 4 is difficult based on the descriptions of Prior Art 6.

Therefore, the amended Claim 2 can be easily invented when a person having ordinary skill in the art combines Prior Art 3 with Prior Art 4 or Prior Arts 3, 4, and 6.

2. Whether the amended Claims 3, 6, and 8 are denied of an inventive step

The amended Claim 3 is word-for-word identical to Elements 1 to 8 of the amended Claim 2 and simply specifies Element 9 by stating that “the vertex of the recognized segment of the line can be identified as where a continuing specific color stops that moves a cluster of a specific size in the direction following the color.” Thus, the amended Claim 3 is denied of an inventive step as it can be easily derived by a person having ordinary skill in the art from Prior

Arts 3 and 4 or Prior Arts 3, 4, and 6.

The amended Claim 6 is a dependent claim that relies on the amended Claim 2 and additionally specifies “a step that applies the element that corresponds to the space type of the sub-area above.” The limitation above is denied of an inventive step as it can also be easily derived by Prior Art 3 or Prior Art 6 considering the following facts: The specification of Prior Art 3 describes that the “block-based approach” states an element to allow more fine-tuning such as the user adding furniture or adding a specific feature regarding a certain polygon; Drawings 11 and 12 illustrate furniture, windows, doors, etc. suitable for each sub-space such as a toilet, laundry room, living room, and bedroom; and Prior Art 6 shows elements for sub-areas such as balcony, doors, windows, staircases, and interior decoration.

The amended Claim 8 is a dependent claim that refers to the amended Claim 2, additionally specifying “A step to identify the material suitable for the floor or the wall of the space type above and apply it to the floor or the wall by adjusting it to the dimensions of the 3D space and a step to apply household furniture suitable for the type or the shape of the space above.” This limitation can be easily derived by Prior Art 3 or Prior Art 6 and is denied of an inventive step since in Prior Art 3, Drawing 7 shows a program for the user to finely adjust the texturing parameters and the texturing results derived from the program; Drawings 11 and 12 illustrate an element where furniture is added or different color and material are used for each space type; and Prior Art 6 states, “In the final step, the user allocates material and attaches texture to make the interior design and facade more persuasive and aesthetically attractive. The system procedurally creates or extracts from the image source the material and the texture.”

04. Well-Known and Commonly Used Art

Case on COVID-19 DNA Vaccine

(First Division) IP High Court Decision 2022Heo2530, decided April 27, 2023

Subject Matter	[Patent (Application)] COVID-19 Antigenic Protein, DNA Fragment Coding the Same, and Gene Vaccines Including the Same
Administrative Decision	IPTAB Decision 2021Won3203, decided February 24, 2022
Category	Rejection (Patent)
Reference Provision	Article 29(2) of the Patent Act
Reference Decision	Supreme Court Decision 2005Hu3284, decided September 6, 2007

Issue at Hand

1. Whether the prior art was publicly practiced (Affirmative)
2. A case that held that the scope of the rights of the invention is not acknowledged as it is identical to the prior art which is a publicly practiced invention

Case Overview and Issues

The plaintiff is a special juristic person established according to the Act on the Agency for Defense Development and applied for a patent regarding a DNA fragment for gene vaccines, etc. coding COVID-19 antigenic proteins (Divisional Application No. 10-2021-0035382 regarding the prior application dated November 12, 2020). The plaintiff petitioned for an administrative trial against rejection, but the Korean Intellectual Property Trial and Appeal

Board (IPTAB) dismissed the plaintiff’s petition, reasoning, “Claim 2 is denied of an inventive step since it is easily invented by a person having ordinary skill in the art based on the combination of the prior arts, and in case grounds for rejection are found even in one of the claims, the application as a whole shall be rejected.”

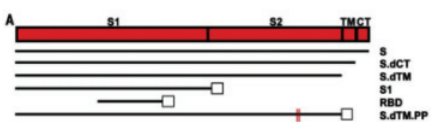
Summary of Decision

The claim was dismissed.

1. Claim Construction

Claim 2 seeks protection of the “DNA fragment” and the vector, which is the carrier, is different from genetic material. The plaintiff has already registered a patent regarding “the recombinant vector part” described in Claim 2, and the “target antigen” in the relevant claim is determined based on what vaccine to be made. For example, the antigen can be the “DNA fragment” above. The plaintiff argues that "the recombinant vector part" above is a description of the manufacturing method. However, since the part itself cannot be the manufacturing method of the “DNA fragment” and does not change the gene sequence of the “DNA fragment” as acknowledged by the plaintiff, “the recombinant vector part” is not deemed to be a technical element specifying “DNA fragment,” which is the subject of the invention in Claim 2.

2. Inventive Step

Element	Claim 2	Prior Art 1
1	A DNA fragment consisting of gene sequence with the sequence number 4 (for COVID-19 gene vaccines coding COVID-19 antigenic proteins)	<p>Protein variants of SARS-CoV-2 spike proteins</p> 

2	Replaced by Y449A, N487A, Q493A, N501G, Y505G, R683G, R685G, R815G, K986P, and V987P	S1/S2 furin cleavage site 682-685 is replaced by GSAS, and residues 986 and 987 are replaced by proline (P).
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With regard to the element of Claim 2 about the replacement by Y449A, N487A, Q493A, N501G, and Y505G (Difference 1), since the positions of the receptor-binding motif (RBM) closely interacting with the receptor of SARS-CoV-2 are disclosed as Nos. 449, 487, 489, 493, 501, and 505 in Prior Arts 2 and 3, a person having ordinary skill in the art would try to replace their residues and first consider the replacement by nonpolar amino acids alanine (A) or glycine (G), the amino acids with the simplest structure. Methods to easily replace amino residues, such as alanine scanning, were already commonplace at the time of the application. A person having ordinary skill in the art would easily try the replacement by glycine (G) in Element 2 of Claim 2--the element to replace S1/S2 furin cleavage sites with R683G and R685G (Difference 2) and the element to replace the S2' site with R815G (Difference 3)--since the sites are disclosed as candidates for residue replacement by the prior arts. Also, the evidence submitted by the plaintiff is not sufficient enough to support that Claim 2 has a significant effect that cannot be predicted in the prior arts.

Therefore, Claim 2 cannot be registered as a patent as it is denied of an inventive step, and the IPTAB decision is lawful.

Case on Levodropropizine-Containing Sustained-Release Tablet

(First Division) IP High Court Decision 2022Heo5522, decided July 6, 2023

Subject Matter	[Patent Right] Manufacturing Method of Levodropropizine-Containing Sustained-Release Tablets Administrative Decision
Administrative Decision	IPTAB Decision 2021Dang2952, decided September 5, 2022
Category	Invalidation (Patent)
Reference Provision	Articles 42(4)(2), 97, and 2(3) of the Patent Act
Reference Decision	Supreme Court Decisions 2003Hu2072, decided November 24, 2006; 2012Hu1613, decided July 24, 2014; 2014Hu1563, decided April 7, 2017; 2008Hu4998, decided August 19, 2010; 2007Hu1299, decided November 16, 2007; and 2012Hu238,245, decided May 16, 2014 / Supreme Court Decision 2011Hu927, decided January 22, 2015 (en banc)

Issue at Hand

A case that held that the patented invention at issue regarding the manufacturing method of levodropropizine-containing sustained-release tablets that include levodropropizine in the

sustained- and immediate-release layers is easily invented by a person having ordinary skill in the art (hereinafter, a “skilled person”) based on the prior art and the well-known and commonly used art and thus is denied of an inventive step.

Case Overview and Issues

The defendant filed an action to invalidate the invention at issue in the Korean Intellectual Property Trial and Appeal Board (hereinafter, the “IPTAB”), arguing that the invention at issue (No. 2246066; Claim 1 and the dependent claims thereof) lacks an inventive step. The IPTAB issued an administrative decision on July 6, 2023, to accept the defendant’s claim, reasoning that the invention at issue is denied of an inventive step by the prior art. The plaintiff sought revocation of the invention at issue, arguing that the invention at issue does not violate the definiteness requirement, is supported by the description of the invention, is described clearly and in detail so that a skilled person can easily practice it, and is not denied of an inventive step by the prior art or well-known and commonly used art.

Summary of Decision

The claim was dismissed.

Claim 1 and the prior art are different in that Claim 1 specifies the order of tablet manufacturing, while the prior art does not (hereinafter, “Difference 1”), and further, Claim 1 limits the hardness of the tablet to 8 to 15 kg/cm², the turret speed of the tablet machine to 12 to 28 rpm, and the lower position of the main compression to 7 to 12 mm, while the prior art only discloses the tablet’s hardness as 4 to 5 4~5kg/cm² and does not disclose the turret speed and the lower position of the main compression (The difference about the hardness is referred to as “Difference 2”; the difference about the turret speed as “Difference 3”; and the difference about

the lower position of the main compression as “Difference 4” hereinafter). However, for the reasons below, the differences above can be easily overcome when a skilled person combines the prior art with well-known and commonly used art, and it is not deemed that Claim 1 has a significant effect that a skilled person cannot predict. Thus, Claim 1 is denied of an inventive step by the prior art.

[Difference 1] Sustained-release double-layer tablets can be compressed only in the following orders: filling sustained- and immediate-layer granula in the order or in the reverse order and then compressing them at once; compressing twice the sustained-layer granula and the immediate-layer granula in that order; or compressing twice the granula in the reverse order. Thus, a skilled person would have no difficulty in choosing an appropriate compression order.

[Difference 2] A textbook of pharmaceutical manufacturing describes, “From an industrial perspective, the hardness of at least 4 kg is deemed satisfactory” and “The hardness of a tablet typically ranges from 4 to 10 kg/cm² but the hardness of a sustained-release tablet can be adjusted to be higher (10 to 20 kg/cm²). Therefore, even if an appropriate range of the hardness of sustained-release double-layer tablets is not described as exact figures in the prior art, etc., it is reasonable to conclude that a skilled person would easily derive the hardness of a tablet with an appropriate friability and dissolution rate. The specification of the invention at issue does not include a description that deserves acknowledgment of the technical significance of limiting the hardness of the tablets or the critical significance of the numerical limitation.

[Difference 3] Adjusting the turret speed appropriately for the quality of the tablets in the manufacturing process is simply a well-known and commonly used art at the time of the application of the invention at issue. Adjusting the turret speed is a usual and common step required in tablet manufacturing. Therefore, a skilled person would easily derive the turret

speed that allows an appropriate friability and dissolution rate based on usual and repetitive experiments. The specification of the invention at issue describes an embodiment where the friability and uniformity of dosage units are measured for the turret speeds of 15, 21, 25, 31, and 35 rpm but does not provide detailed results of each friability (or the criteria for determining the friability). Therefore, it is not deemed that the invention has a significant effect. Therefore, the technical significance of limiting the turret speed or the critical significance of the numerical limitation cannot be acknowledged.

[Difference 4] Manufacturing tablets with the appropriate hardness by adjusting the compression pressure is simply a well-known and commonly used art in the technical field of the invention at issue. Since the compression pressure refers to the pressure applied on the raw material filled in the die by the upper and lower punches, it is technological common sense that a shorter lower position of the main compression increases the compression pressure, leading to harder tablets. Even if the prior art, etc. does not describe detailed figures, it is reasonable to conclude that a skilled person, based on usual and repetitive experiments, would easily derive the lower position of the main compression that allows desirable hardness, friability, and dissolution rate. The specification of the invention at issue describes an embodiment where the hardness and friability are measured with the lower positions of 13.26, 11.26, 9.26, 7.26, and 5.26 mm, but does not provide detailed results of each friability (or the criteria for determining the friability). Further, there is no significant difference between the results of the lower positions of the main compression of 7.26 mm and 5.26 mm. Therefore, the technical significance of limiting the lower position of the main compression or the critical significance of the numerical limitation cannot be acknowledged. The plaintiff argues that since the problem to be solved in Claim 1 is to provide a manufacturing process that “can maintain the effect of the drug, ensure the drug stability, and mass produce the drug,” Claim 1 has a different problem

to be solved than the prior art. However, the problem to be solved in Claim 1 is partially the same as that of the prior art since they both aim to find an optimal dissolution rate to improve the effect of the drug. Even though the specification of the prior art does not specify a problem to be solved the aims to allow mass production while maintaining the optimal friability and hardness, it is essential in the tablet manufacturing field to secure and maintain the appropriate hardness and friability in the mass production of tablets, and thus, it is reasonable to conclude that the problem is already inherent in the prior art. Therefore, it is not deemed that Claim 1 has a different problem to be solved than the prior art.

The plaintiff claims that whether the invention at issue is denied of an inventive step cannot be determined solely based on whether each separate element is disclosed in the prior art on the grounds that the invention at issue achieves a significant effect that provides levodropropizine sustained-release double-layer tablets with reliability and optimal dissolution that can be also mass produced by limiting the content of levodropropizine in the sustained- and immediate-release layers, the weight ratio of controlled-release polymers, the weight ratio of the sustained- and immediate-release layers, and the numerical limitation of the gross weight and organically combining various elements such as the hardness, the turret speed, the range of the lower position of the main compression, and the compression order. However, though Claim 1 includes elements such as the content of levodropropizine in the sustained- and immediate-release layers, the weight ratio of controlled-release polymers, the numerical limitation of the gross weight and the hardness, the turret speed, the range of the lower position of the main compression, the compression order, etc., it is not deemed that Claim 1 has a significant effect that cannot be predicted by a skilled person considering that the prior art discloses an embodiment that includes the content of levodropropizine in the sustained- and immediate-release layers, the weight ratio of controlled-release polymers, the weight ratio of the sustained- and immediate-release layers, and the gross weight; that there would be no

significant change resulting from a change in the hardness, the turret speed, the range of the lower position of the main compression, or the compression order; and that choosing the compression order, the lower position of the main compression, and the turret speed is well-known and commonly used art in the tablet manufacturing process and their range is simply a numerical limitation.

The patent of the invention at issue shall be invalidated as the invention is denied of an inventive step. The IPTAB decision is lawful as it is consistent with this conclusion.

05. Inventive Step

Case on Sealing Cinerary Urn

(Third Division) IP High Court Decision 2022Heo1506, decided November 1, 2022

Subject Matter	[Patent Right] Method to Seal and Store Cinerary Urn
Administrative Decision	IPTAB Decision 2020Dang3269, decided December 8, 2021
Category	Invalidation (Patent)
Reference Provision	Article 29(2) of the Patent Act

Issue at Hand

A case that held that the invention at issue is easily invented by combining Prior Art 1 with Prior Art 2 since Prior Art 1, which is the main prior art, and the invention at issue have different technical ideas; Prior Art 1 does not suggest or implies replacing it with the same technical idea as the invention at issue; and combining Prior Art 1 with Prior Art 2 goes against the technical ideal of Prior Art 2

Case Overview and Issues

The plaintiff registered the invention at issue regarding “Method to Seal and Store Cinerary Urn” (Application Date/Registration Date/Registration Number: October 10, 2007/October 23, 2009/Patent No. 924282). The defendant filed a petition seeking invalidation of the invention at issue in the Korean Intellectual Property Trial and Appeal Board (IPTAB) on November 2, 2020, and the IPTAB rendered a decision to accept the defendant’s petition on December 8, 2021, reasoning, “The invention at issue can be easily derived from Prior Arts 1 and 2 and thus,

is denied of an inventive step.”

Summary of Decision

The administrative decision was revoked.

Differences 2 and 3² cannot be easily overcome even when a person having ordinary skill in the art combines Prior Art 1 with Prior Art 2 for the following reasons.

○ The technical idea of the invention at issue is to fill inert gas (nitrogen, helium, argon, etc.) into the sealed storage container of the urn and at the same time, release the gas mixture of the air and the inert gas inside, and ultimately to repeat the steps of filling, maintaining, and releasing inert gas in the cinerary urn to keep the ratio of the inert gas in the urn at 95% in order to solve the problem that the remains in the urn can be decomposed or deteriorated due to sources of pollution such as the moisture in the air or micro bacteria.

○ The technical idea of Prior Art 1 is to insert gas into the urn after sealing the ossuary to make a high-pressure space or to maintain the high vacuum status, aiming to minimize the decomposition and deterioration of the remains in the urn. However, Prior Art 1 does not provide suggestions or implications about a technical idea to replace the air inside the urn that includes pollutants with inert gas by repeating the task of inserting inert gas, letting the gas be mixed with the air inside the urn for a certain time, releasing the gas mixture, and then inserting inert gas again as the invention at issue.

○ Prior Art 2 is an invention to solve the problem of its prior art (Prior Art 1) that fails to seal the urn completely and to prevent the decomposition and stench of the remains, and its technical idea is to seal the urn, put it into another container, seal the container, and make a vacuum in the container or fill nitrogen gas into the container. Prior Art 2 does not disclose the

² There are four differences between the invention at issue and the corresponding elements of Prior Art 1, and of them, Differences 1 and 4 are deemed to be easily overcome by Prior Art 1 or a combination of Prior Arts 1 and 2.

element of filling, maintaining, and releasing inert gas in the cinerary urn nor does it provide any such suggestion or implication.

- Since Prior Art 2 is an invention to solve issues of Prior Art 2 by adding to Prior Art 1 an element of putting the sealed urn into a container, combining Prior Art 2 with Prior Art 2 goes against the technical idea of Prior Art 2 or leads Prior Art 2 to lose its technical significance.

- The invention at issue repeats a process of filling and releasing inert gas to replace the air inside the storage container with inert gas without much increasing the pressure in the container. The invention at issue has an effect of reducing manufacturing or maintenance costs compared to the method to create a vacuum or a high-pressure space in the container as Prior Arts 1 and 2, which is a significant effect that cannot be predicted from Prior Arts 1 and 2.

- The defendant argues that it is technological common sense that the gas mixed with the nitrogen gas filled into the container and the air inside should be released in order to increase the proportion of nitrogen gas in the container, and even if Prior Art 1 does not specify this common sense, it is inherent in Prior Art 1, and even if it is not, the invention at issue can be easily derived by combining Prior Art 1 with the technological common sense above.

While Prior Art 1 does disclose an element to release the gas inside the container, this element aims to lower the pressure inside the container in cases of overpressure. Therefore, the technical idea of the invention at issue to remove the pollutants inside by replacing the air inside the container with inert gas is not inherent in the element to release the gas inside the container, which is disclosed in Prior Art 1.

Case on Wind Turbine

(Fourth-Two Division) IP High Court Decision 2021Heo6849, decided January 26, 2023

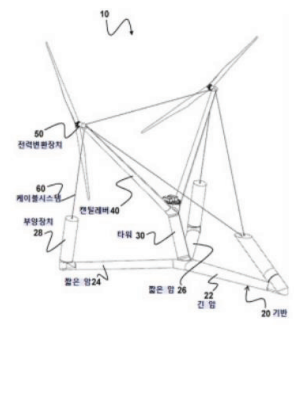
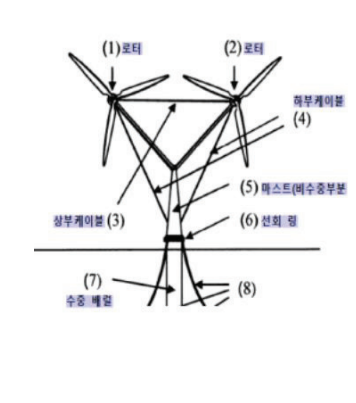
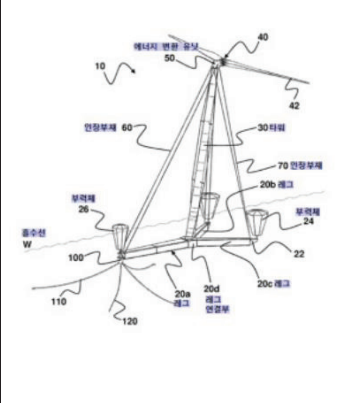
Subject Matter	[Patent (Application)] Floating Wind Turbine with Multiple Power Converters
Administrative Decision	IPTAB Decision 2020Won2193, decided November 2, 2021
Category	Rejection (Patent)
Reference Provision	Article 29(2) of the Patent Act
Reference Decision	Supreme Court Decisions 2006Hu138, decided August 24, 2007; 2007Hu3660, decided November 12, 2009; 2014Hu2184, decided November 25, 2016; and 2018Hu10923, decided March 31, 2022

Issue at Hand

Whether it is easy to combine the prior arts to deny the claimed invention of an inventive step

Case Overview and Issues

The Korean Intellectual Property Trial and Appeal Board (hereinafter, the “IPTAB”) rendered an administrative decision to dismiss the plaintiff’s petition for an administrative trial against rejection, reasoning, “Claim 1 can be easily invented when a person having ordinary skill in the art (hereinafter, a “skilled person”) combines Prior Art 1 with Prior Art 2.

Claimed Invention		Prior Art 1		Prior Art 2	
					
국문	영문	국문	영문	국문	영문
전력변환장치	Power converter	로터	Rotor	에너지 변환 유닛	Energy converting unit
케이블시스템	Cable system	하부케이블	Lower cable	인장부재	Tension member
부양장치	Floating device	상부케이블	Upper cable	타워	Tower
캔틸레버	Cantilever	마스트(비수중부분)	Mast (Part not underwater)	레그	Leg
짧은 암	Short arm	선회 링	Slewing ring	부력체	Buoyancy (부력체)
타워	Tower	수중 배럴	Underwater barrel	흡수선	Absorption line
긴 암	Long arm			레그 연결부	Leg connection
기반	Base				

Summary of Decision

The administrative decision was revoked.

1. Difference between Claim 1 and Prior Art 1

In Prior Art 1, as two rotors are interconnected by upper cables and each rotor is connected to the upper part (mast) of the center shaft by lower cables, the three cables form a triangular planar structure subject to forces applied in the transverse plane. In contrast, in Claim 1, each power converter is connected to the other converter and two arms by the cable system, forming a three-dimensional structure, which is underwater at spatially distributed points in the plane, leading to a stable structure, and the technological characteristic of the cable system (60) is to absorb the rear thrust and to introduce it into the floating device. Thus, Claim 1 and Prior Art 1 are significantly different in their technological characteristics.

2. Ease of combination of Prior Arts 1 and 2

The specification of Prior Art 1 lists three types of floats as prior art, and points out the disadvantages of the “semi-submersible float type,” stating that it “requires a large amount of material to achieve good safety and incurs production costs that are difficult to reconcile with its function” while stating that it adopts a floating structure of the SPAR (Single Point Anchor Reservoir) type with a central ballast in the lower part in order to solve the problems of the “floating barge type” (high sensitivity to waves and swell).

On the other hand, the claimed invention recognizes the problem of Prior Art 1, which is its background technology, and the SPAR-type floating device and to solve the problem, the invention specifies that it is not about a SPAR-type floating device but about a semi-submersible floating structure that is submerged in water at spatially distributed points on the plane. Thus, the invention at issue has a means to solve the problem different than Prior Art 1. Therefore, it is not easy for a common creator to replace the floating structure in Prior Art 1

with the base with three legs in Prior Art 2, and a skilled person would find it difficult to spot the negative teaching or suggestion about the semi-submersible floating type in Prior Art 1 above and to discover the suggestion or motivation to combine the semi-submersible base form the different means to solve the problem.

Case on P2P Financial Transaction System

(Fourth-Two Division) IP High Court Decision 2022Heo2431, decided December 14, 2022

Subject Matter	[Patent Right] Financial Transaction Method and System
Administrative Decision	IPTAB Decision 2020Dang2780, decided February 22, 2022
Category	Invalidation (Patent)
Reference Provision	Article 29(2) of the Patent Act

Issue at Hand

Whether it is easy to combine the prior arts to determine the existence of an inventive step

Case Overview and Issues

The defendant requested a trial for invalidating the plaintiff's patent, and the Korean Intellectual Property Trial and Appeal Board (hereinafter, the "IPTAB") accepted the petition, stating, "Claims 1 to 5, 8 to 10, 12, 13, and 16 to 18 are denied of an inventive step by Prior Arts 1 and 2." The plaintiff filed an action to revoke the administrative decision and the plaintiff's separate petition for trial for corrections is accepted and confirmed. The defendant then argued that the amended Claim 1 shall be invalidated since it is denied of an inventive step by the combination of Prior Arts 1 and 2 or Prior Arts 1, 2, and 3.

Summary of Decision

The administrative decision was revoked.

1. Element 5 of the amended Claim 1, which is “an element where the P2P server verifies information of both parties regarding their loans and debts” is not described in Prior Art 1 (hereinafter, “Difference 3”), and Element 6 of the amended Claim 1 does not allow transaction in case the total accumulated income exceeds the trade limit, which is also not described in Prior Art 1 (hereinafter, “Difference 4”).

2. It is reasonable to deem that Difference 3 cannot be easily overcome by a person having ordinary skill in the art through combining Prior Art 1 with Prior Art 2 based on the following circumstances, etc.

① Prior Art 2 is related to one-time financial transactions that do not involve periodic settlement, while Prior Art 1 concerns cumulative financial transactions that involve periodic settlement. Since the type and nature of the transactions are significantly different, there is no motivation for Prior Art 1 to refer to or to be combined with Prior Art 2. ② The technical challenge of Prior Art 1 is to solve the problem of increasing the cost and load associated with payments when payments are made after each transaction. However, Prior Art 2 entirely goes against the technical problem of Prior Art 1 since payments are made after each transfer between the online accounts of the users in Prior Art 2.

Financial Transaction Method of Invention at Issue	
국문	영문
P2P 거래부문	P2P Transaction
신용거래부문	Credit Transaction
유무선 통신망	Wired/wireless network
카드사	Credit card company
회원(A)	Member (A)
회원(B)	Member (B)
회원(C)	Member (C)
가맹점	Affiliate store

3. It is reasonable to deem that Difference 4 cannot be easily overcome by a person having ordinary skill in the art (hereinafter, a “skilled person”) through Prior Art 2 or combining Prior Art 1 with Prior Art 3 based on the following circumstances, etc.

① Prior Art only discloses an element to restrict transactions when the total accumulated expenses exceed the payment limit but does not disclose or imply an element that restricts transactions when the total accumulated income exceeds the payment limit. An element that does not allow a transaction if the accumulated income exceeds the transaction limit is not easily derived by a skilled person based on Prior Art 1. ② The “act of giving and receiving” of Hancoin in Prior Art 3 concerns a one-time transaction between individuals that does not involve periodic settlement, which is different from cumulative financial transactions that involve periodic settlement, such as Prior Art 1, which accumulates receivables and payables over a period of time and then settles them at the time of settlement. Therefore, since the type and nature of the transactions are significantly different, there is no motivation for Prior Art 1 to refer to or to be combined with Prior Art 3.

4. The defendant argues that it is not difficult to combine Prior Art 1 with Prior Art 2 since Prior Arts 1 and 2 have substantially the same technical field, both concerning financial transactions between individuals based on credit, but the defendant's argument cannot be accepted for the following reasons.

① Prior Art 2 relates to PayDirect services, and the defendant’s argument that “registering a credit card” in such services “aims to remit payment first with no need to put money immediately” goes against the explicit description of Prior Art 2. ② Even if Prior Art 2 describes that the transaction limit for transferring money between online accounts can be set to a credit card limit regardless of the balance of the online account, the description alone is not enough to conclude that the transaction is based on credit. ③ The fact that Prior Art 2 allows only periodic “withdrawal” at the user’s option has nothing to do with the “settlement” process, where, as in the amended invention, the final amount of income or expenses over a

period of time in which debts and credits have accumulated, are determined for each member and the card company pays or charges the member accordingly.

Case on Learning Method of Self-Evolving AI

(Fourth-One Division) IP High Court Decision 2021Heo5501, decided January 18, 2023

Subject Matter	[Patent (Application)] Learning Method of Self-Evolving AI and the System Thereof
Administrative Decision	IPTAB Decision 2021Won882, decided August 31, 2021
Category	Rejection (Patent)
Reference Provision	Article 29(2) of the Patent Act

Issue at Hand

Whether the invention at issue regarding the learning method of self-evolving AI is denied of an inventive step (Negative)

Case Overview and Issues

The examiner of the Korean Intellectual Property Office (hereinafter, the “KIPO”) issued a decision to reject the patent application of the invention at issue on the grounds that the invention is easily invented based on Prior Arts 1 and 2. In response, the plaintiff requested an administrative trial against rejection, but the Korean Intellectual Property Trial and Appeal Board (hereinafter, the “IPTAB”) rendered an administrative decision to dismiss the plaintiff’s petition for the reason stated by the examiner.

Summary of Decision

The administrative decision was revoked.

In order to solve the problem that the conventional AI reinforcement learning system requires separate time for reinforcement learning and therefore cannot provide AI services in real time, the invention at issue separates reinforcement learning from artificial intelligence services and configures them to be handled separately, thereby organizing the process of providing AI services and AI evolving process in parallel to provide AI services in real time and to perform AI evolution at the same time. Since the AI engine in operation self-evolves by a method of updating the learning parameters of the engine into those of the clone AI engine, the AI engine in operation is able to self-evolve through the clone AI engine without performing reinforcement learning by itself.

However, it does not appear easy to separate Model 1 and Model(s) 2 into the models dedicated to providing AI services and those dedicated to performing learning as in the invention at issue since Model 1 and Model(s) 2 of Prior Art 1 perform both service provision and (learning) construction in order. And Model(s) 2 in Prior Art 1 appear to be alternative models that provide optimized behavior even in environments that change more slowly than in Model 1, and it is difficult to consider them as clones, that is, replicated models of Model 1. Additionally, since in Prior Art 2, a single model repeats the AI services and retraining, even a person having ordinary skill in the art (hereinafter, a “skilled person”) cannot easily overcome the differences between Prior Art 2 and the invention at issue based on Prior Art 2.

Therefore, Claim 1 cannot be easily invented by a skilled person based on Prior Arts 1 and 2, and thus, is not denied of an inventive step.

Case on Film Attaching Equipment

(Second Division) IP High Court Decision 2021Heo4027, decided October 28, 2022

Subject Matter	[Patent Right]
Administrative Decision	IPTAB Decision 2020Dang2337, decided June 7, 2021
Category	Invalidation (Patent)
Reference Provision	Articles 29(2) and 29(3) of the Patent Act
Reference Decision	Supreme Court Decisions 2007Hu3660, decided November 12, 2009, and 2005Hu3284, decided September 6, 2007

Issue at Hand

A case that held that the invention at issue is not denied of an inventive step by the prior arts and the extended first-to-file rule cannot be applied

Case Overview and Issues

The plaintiff filed a petition against the defendants, seeking invalidation of the invention at issue. The Korean Intellectual Property Trial and Appeal Board (hereinafter, the “IPTAB”) dismissed the plaintiff’s petition, reasoning, “The invention at issue is not denied of an inventive step by combining Prior Arts 1 and 2 or Prior Arts 1, 2, and 3; Since the invention applied for a patent earlier and the invention at issue are invented by the same inventor, Claims 1 to 4 and 6 do not violate the extended first-to-file rule; and Claim 3 cannot be considered to be applied by an unentitled person.”

Summary of Decision

The claim was dismissed.

1. Unique solution principle and effect of the invention at issue

Considering the description of the specification and the illustration of the drawings of the invention at issue, the invention is to solve the problem that applying the protective film to the object by hand decreases workability and prevents the film from being applied uniformly to the correct spot, and applying the film to the glass surface of electronic devices that adopt curved glass at both corners easily generate bubbles and other defects and prevents the film from being applied tightly. Therefore, the invention at issue aims to provide more comfortable and effective film-attaching equipment with which protective films are applied more tightly on the glass surfaces with curves. To this end, the technological characteristic and idea of the invention at issue are to have a unique working effect where the first gripper fixes one end of the protective film while “the second gripper supports the other end elastically,” and when the film attachment part moves from one part of the film to the other in order to attach the film to the glass surface of the electronic devices with pressure the second gripper elastically and gradually descends so that the film is attached with “uniform tension” across the film, preventing bubbles on the glass surface with curved corners as well as attaching the film tightly.

2. Whether Claim 1 is denied of an inventive step by the combination of Prior Arts 1 and 2

Element 1 of Claim 1 is limited to electronic devices with curved corners (Difference 1), and Element 5 of Claim 1 allows “the other end of the protective film to be elastically supported in upward and downward directions,” while Prior Art 1 does not describe any elements corresponding to Element 5 (Difference 2). Thus, the two inventions are different. Difference 2 cannot be easily overcome by combining Prior Art 1 with Prior Art 2 considering that Claim 1 has an effect to prevent bubbles when attaching a protective film and includes Element 5 to

this end while Prior Art 1 does not include such element and that Prior Art 2 does not indicate any problem or technical idea to this effect.

3. Whether Claim 1 is denied of an inventive step by Prior Art 2

The invention at issue and Prior Art 2 are different in that Element 1 is limited to electronic devices with curved corners (Difference 1); The first gripper of Element 4 “fixes one end of the protective film” while the dowel pin of Prior Art 2 “fixes one end of the elastic thin plate” (Difference 2); and The second gripper of Element 5 is configured for “the other end of the protective film to be elastically supported in upward and downward directions” while the bearing part of Prior Art 2 is configured for “the other end of the elastic thin plate to be elastically supported” (Difference 3). Differences 2 and 3 cannot be overcome based on Prior Art 2 for the following reasons: The invention at issue has the working effect described above while Prior Art 2 does not state any problem or technical idea to solve the problem; The corresponding element in Prior Art 2 is not deemed to be the same as Elements 4 and 5; Combining Prior Art 1 with Prior Art 2 does not result in the working effect the same as the invention at issue; and Changing Prior Art 2 so that it becomes similar to the invention at issue would void Prior Art 2 of its technological significance.

4. Whether Claim 1 is denied of an inventive step by the combination of Prior Arts 3 and 2

Prior Art 3 discloses Elements 1 to 4 and 6 but is different than Claim 1 since Prior Art 3 does not disclose Element 5 which is “the second gripper to be installed separately on one end of the housing and to be elastically supported in upward and downward directions.” This difference cannot be easily overcome by combining Prior Art 3 with Prior Art 2; It is difficult to acknowledge that a person having ordinary skill in the art would have a motivation to, or it is easy for the person to, combine Prior Art 3 with “the bearing part installed with the inversion

axis and coil spring” of Prior Art 2 because the “coil spring” in Prior Art 2 is adopted to allow the “elastic thin sheet” to move due to the movement of the rubber roller while Prior Art 3 does not include an element to have the same feature and working effect as the elastic thin sheet.

5. Whether Claim 1 is denied of an inventive step by Prior Art 4

The invention at issue and Prior Art 4 both relate to “the film attaching equipment to attach a protective film to the glass surface of electronic devices.” However, they are different in that Element 1 is limited to electronic devices with curved corners (Difference 1), and in Element 5, the second gripper is installed separately on one end of the housing and the other end of the film can be supported elastically in “upward and downward directions” while in Prior Art 4, the “head and arm” are installed together on the base and the other end of the attaching sheet is supported elastically in a “diagonal direction” (Difference 2). Considering the description of the specification and the illustration of the drawings, “upward and downward directions” in Prior Art 5 indicate only the “upward and downward directions” and do not include the “diagonal direction” as in Prior Art 4, and thus, the two inventions have different working effects and their differences cannot be easily overcome.

6. Whether Claims 1 to 4 and 6 violate the extended first-to-file rule from the invention filed earlier

When an invention is invented by a joint inventor, all of the inventors of one patent application shall be the same as those of the other patent application in order to be excluded from the application of the extended first-to-file rule according to the proviso of Article 29(3) of the Patent Act. Since the same three inventors invented both the invention at issue and the invention filed earlier, the latter cannot be considered an invention filed first according to the rule, and thus, the invention at issue is not deemed to violate the rule.

Case on Test Socket With High-Density Conduction Section

(Second Division) IP High Court Decision 2021Heo3925, decided March 24, 2023

Subject Matter	[Patent Right]
Administrative Decision	IPTAB Decision 2019Dang1045, decided April 29, 2021
Category	Invalidation (Patent)
Reference Provision	Article 29(2) of the Patent Act

Issue at Hand

A case that held that the corrected invention at issue is not denied of an inventive step by the prior arts

Case Overview and Issues

The administrative decision was revoked.

1. Whether the amended Claim 1 is denied of an inventive step

Element 1-4 of the amended Claim 1 is the supporting sheet with material harder than the elastomer of the second conductive part while the corresponding element of Prior Art 1-1 is the metal ring harder than the second conductive silicon part. In Element 1-5 of the amended Claim 1, the through-hole of the supporting sheet is reduced in diameter from the top to the bottom to allow the test device terminals to be moved toward the center of the through-hole even when they are rested on the edge of the through-hole, and the bottom of the through-hole of the supporting sheet is the same diameter as the first conductive part of the elastic conductive sheet while the metal ring in Prior Art 1-1 is vertical in the upward and downward directions so that

it is difficult to believe that the solder ball of the semiconductor package can move to the center of the metal ring even if it settles on the top edge of the second conductive silicon part, and the bottom of the metal ring is smaller than the diameter of the connector body. The amended Claim 1 is not denied of an inventive step by the combination of the prior arts since Prior Art 2 does not recognize position offset effects and Prior Art 3 does not include recognition or an element about position offset effects as the amended Claim 1 or it is difficult to expect such effects in Prior Art 3.

2. Whether the amended Claim 3 is denied of an inventive step

The amended Claim 3 adds to the amended Claim 1 the diameter maintaining part in a vertical direction under the diameter decreasing part of the through-hole of the supporting sheet and thus essentially includes the elements of the amended Claim 1. Therefore, a person having ordinary skill in the art cannot easily derive the amended Claim 3 based on Prior Arts 1-1, 2, and 3 or Prior Art 8.

3. Whether the amended Claim 10 is denied of an inventive step

The amended Claim 10 adds the supporting sheet having a through-hole and an inclined plane inside and being attached to the upper side and underside of the elastic conductive sheet of the amended Claim 1 and thus essentially includes the elements of the amended Claim 1. Therefore, a person having ordinary skill in the art cannot easily derive the amended Claim 3 based on Prior Arts 1-1, 2, and 3 or 8.

Case on Financial Transaction Relay System Using Fingerprint Information

(First Division) IP High Court Decision 2022Heo4079, decided June 1, 2023

Subject Matter	[Patent Right] System for Relaying Financial Transaction With Multiple Safety Function and Method for Processing Thereof
Administrative Decision	IPTAB Decision 2022Dang336, decided May 25, 2022
Category	Invalidation (Patent)
Reference Provision	Article 29(2) of the Patent Act

Issue at Hand

A case that held that Claims 1 and 4, which describe a system for relaying financial transactions with multiple safety functions using fingerprinting, phone number verification, and account password verification that performs user authentication by comparing the user's fingerprint information entered from the customer terminal with the fingerprint information registered in the financial transaction relay system, so that the customer terminal can access the online banking or e-commerce system without any additional authentication, are denied of an inventive step by the prior arts

Case Overview and Issues

The defendant filed a petition seeking invalidation of the invention at issue, arguing that Claims 1 and 4 of the invention (Patent No. 1543222) are denied of an inventive step by the prior arts.

The Korean Intellectual Property Trial and Appeal Board (hereinafter, the “IPTAB”) accepted the defendant’s petition on the grounds that Claim 1 is denied of an inventive step by Prior Arts 1 to 3 and Claim 4 by Prior Arts 1 and 2. Claim 4 is an invention of a process based on Claim 1, an invention of a thing, and is substantially the same as the content of Claim 1. Thus, the main issue in this case is whether Claim 1 is denied of an inventive step.

Summary of Decision

The claim was dismissed.

Claim 1 is a relay system between customer terminals and online banking systems and e-commerce systems, which establishes a personal financial transaction relay server that relays transactions between customer terminals and online banking systems (or e-commerce systems), registers users' fingerprints, phone numbers, and account numbers on the server, and is equipped with multiple safety lock modules that use fingerprint information to process authentication. On the other hand, Claim 1 concerns “a user authentication method and system through real-time fingerprint recognition,” and adopts a method for authenticating a user's fingerprint collected and transmitted from a user terminal in real time by comparing it with a fingerprint stored in an authentication management server.

[Whether it is easy to overcome Differences 1 and 4] The “system for relaying financial transactions” in Claim 1 functions to perform user authentication by comparing the user's fingerprint information entered from the customer terminal with the fingerprint information registered in the system, so that the customer terminal can access the online banking or e-commerce system without any additional authentication. Prior Art 1 appears to be different from Claim 1 in that Prior Art 1 does not specify whether the authentication management server relays financial transactions. However, the specification of Prior Art 1 states that the

authentication management server can be applied to online banking transactions, and the server is substantially the same as the “system for relaying financial transactions” in the invention at issue since the server can access the online banking and e-commerce system without any additional authentication once the authentication process using fingerprint information has been completed.

[Whether it is easy to overcome Differences 2 and 5] Prior Art 1 is different from the invention at issue since Prior Art 1 does not describe whether an account password is registered and entered. However, the specification of Claim 1 only describes that it “matches fingerprint information, phone number, and account password from the customer’s terminal to register the customer as a member, and processes authentication using fingerprint information” and does not indicate the unique technological significance of the “account password” as an authentication tool. Therefore, an account password itself is just a type of customer information registered (stored) in the personal financial transaction relay server and is not deemed to have a technological significance. A person having ordinary skill in the art (hereinafter, a “skilled person”) can change any part of the registration information disclosed in Prior Art 1 to an account password as needed, and there is no technical difficulty in doing so.

[Whether it is easy to overcome Difference 3] In Prior Art 1, the user enters a username and password, and only if it matches the stored information is the user asked for additional fingerprint information, which is different from Claim 1, but this difference can be easily overcome by a skilled person for the following reason. In Prior Art 1, the username and password are only used to determine whether the user is a member of the online authentication service and to extract fingerprint data pre-stored in the database, and the actual authentication is performed by comparing the fingerprint data transmitted from the user’s mobile

communication terminal with the fingerprint data about the customer extracted from the database of the authentication management server. It is difficult to conclude that there is any technical difficulty in deleting the part of entering a username and password from Prior Art 1 and changing it to performing authentication only with fingerprint information as disclosed in Prior Art 2 or 4.

[Whether it is easy to overcome Difference 7] Prior Art 1 and Claim 1 are different in that Prior Art 1 does not include multiple safety lock modules consisting of a fingerprint recognition processing unit, an account password processing unit, and a phone number authentication processing unit. The “multiple safety lock modules” in Claim 1 register fingerprint information and account password and authenticate the phone number of the customer’s terminal during membership registration, while using only fingerprint information for authentication after the registration. A skilled person would easily derive an element of registering account passwords based on Prior Art 1 or Prior Arts 1 and 2, etc., and an element of authenticating with a phone number during membership registration. The plaintiff asserts that a skilled person cannot easily derive the account password processing unit since changing the middleware structure is required to add the “account password processing unit” to Prior Art 1 and the unit has a significant working effect. However, a skilled person would easily change the configuration of the middleware as needed. Further, the specification of the invention at issue does not describe the unique effects of an element to register an account password or an element of the account password processing unit, and thus, it is difficult to consider that the account password processing unit has a significant effect. [Whether it is easy to overcome Difference 8] Claim 1 “is equipped with multiple safety lock modules as middleware and further with firewall function” while Prior Art 1 does not disclose such element, but this difference can be easily overcome by a skilled person for the following reason. It is technological common sense or a

well-known and commonly used art in the distributed computing field to install middleware on server or client computers to facilitate the sending and receiving of data, and to install firewalls to enhance security, such as to prevent unauthorized access or illegal exfiltration of data. Prior Art 3 discloses an intermediate device (a device that mediates remote access by a subscriber terminal to a terminal device) implemented as middleware and equipped with a firewall. The personal financial transaction relay server disclosed in Claim 1 and the authentication management server disclosed in Prior Art 1 both send and receive data to and from customer terminals connected to a communication network. Therefore, a skilled person would be motivated to implement the authentication management server of Prior Art 1 as middleware or add a firewall function to enhance the smooth transmission and reception of data and security. Further, implementing a server as middleware or adding the firewall function are merely elements that a skilled person would design or add as needed based on Prior Art 3 or a well-known and commonly used art. Middleware is “software that acts as an intermediary to facilitate the exchange of data between multiple computers connected by a communication network,” and is merely an element that is commonly adopted as needed by network systems, and thus, it is not deemed to be organically combined with the rest of the elements of Prior Art 3.

[Judgment on the remaining arguments] The plaintiff argues that the objective of the invention in Claim 1 is distinct since unlike Prior Art 1, which requires the user to go through three steps of entering a user ID and password, transmitting real-time fingerprint image data, and comparing real-time fingerprint image data with stored data, Claim 1 allows the user to gain unauthorized access to the system with only a single step of selecting either online banking or e-commerce transactions on the customer terminal. However, the objective and the effect of “allowing access to the system only by entering a fingerprint” argued by the plaintiff can be

easily predicted based on Prior Art 1 since ① Even Claim 1 needs to go through the step of transmitting the fingerprint information entered through the customer terminal to the personal financial transaction relay server and the step of retrieving the fingerprint information stored in the database to compare the entered information with the stored information and ② The “user ID and password” disclosed in Prior Art 1 is only a means for retrieving previously registered fingerprint data, and thus, the step of “entering the user ID and password” can be easily deleted as needed.

Case on Locking Structure for Roll Type Screen

(Third Division) IP High Court Decision 2022Heo4086, decided May 2, 2023

Subject Matter	[Patent Right] Locking Structure for Roll Type Screen
Administrative Decision	IPTAB Decision 2021Dang154, decided June 17, 2022
Category	Registration Correction (Patent)
Reference Provision	Articles 136(5) and 29(2) of the Patent Act
Reference Decision	2016Hu2522, decided January 22, 2020

Issue at Hand

A case that held that considering the technical problem and characteristics of the prior art reasonably recognized by a person having ordinary skill in the art (hereinafter, a “skilled person”) based on the overall descriptions of the prior art, correcting the location of the elements and replacing them as Claim 1 goes against the technical problem or devoids the prior art of its original technical significance, and thus, it is not deemed that the amended Claim 1 can be easily invented by a skilled person as it is difficult for the person to come up with the invention

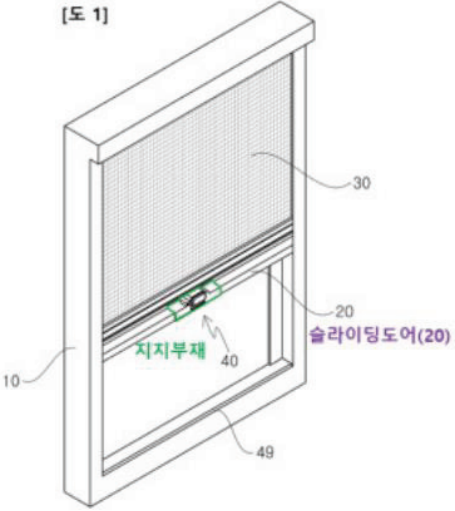
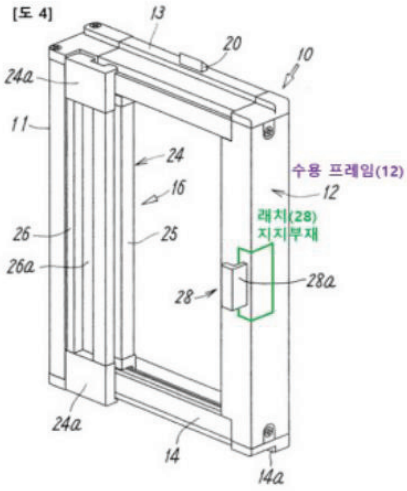
Case Overview and Issues

The plaintiff petitioned for a trial for corrections on December 31, 2021, regarding the specification of the invention called “Locking Structure for Roll Type Screen.” The Korean Intellectual Property Trial and Appeal Board (hereinafter, the “IPTAB”) issued an

administrative decision to dismiss the plaintiff’s petition on the grounds that “the petition for trial for corrections at issue meet the correction requirements stated by Articles 136(1), 136(3), and 136(4) of the Patent Act, but Claims 1 and 4 violate Article 136(5) of the Patent Act since the claims, even after corrected through the plaintiff’s petition for trial for corrections, can be easily invented by a skilled person based on the prior art and thus cannot be registered as a patent as per Article 29(2) of the Patent Act.”

Summary of Decision

The administrative decision was revoked.

Claim 1 after Correction		Prior Art	
			
국문	영문	국문	영문
도 1	Drawing 1	도 4	Drawing 4
지지부재	Supporting member	수용 프레임(12)	Accommodating frame (12)
슬라이딩도어(20)	Sliding door (20)	래치(28) 지지부재	Supporting member of latch (28)

The amended Claim 1, unlike the prior art, forms the supporting member of the locking part, the slider, and the spring in the center of the sliding door and the jamming part on the other side of the frame (Element 2, and Differences 1 and 3) to simplify the locking structure while in order to prevent the problem that the slider is deformed by bending due to the concentration of the force from the winding means, the amended Claim 1 (i) forms the moving hole (42) penetrated in the front and rear directions on the supporting member (41), and the jamming groove on the front of the slider to mount the slider on the moving hole (42) so that the slide can move back and forth (Elements 3 and 4, and Difference 2) and (ii) forms guide protrusions on both sides of the slider, and the guide groove on both sides of the moving hole that are open in the rearward direction of the supporting member and closed in the frontward direction (Element 8 and Difference 4). The element (i) has the following working effects: ① The locking structure is simplified; ② As the supporting member where the moving hole is formed wraps around the side of the slider, the force from the winding means is distributed throughout the slider, so that the screen can be deployed for a long time, and even if the force of the winding means acts on the slider for a long time, the slider is not bent and deformed, fixing the screen firmly for a long time; and ③ The slider is not bent in one direction or the other, and can reliably slide back and forth across the moving hole. The element (ii) has working effects of ① limiting the forward movement of the slider by the elastic force of the spring, and ② stabilizing the forward and backward movement of the slider.

The prior art is characterized by installing a screen frame but in order to make the frame not block the view obtained by the sash frame as much as possible, forming the transverse width of the movable door frame as narrow as possible while superimposing the movable door frame on the screen frame. Based on the overall descriptions of the prior art, a skilled person could reasonably recognize that the cross-section of the movable door frame is formed with a wide operation part and a narrow body part so that the wide operation part is formed with bumps for finger grips and the narrow body part is formed with engagement edges for latches in order to

solve the technical problem above. However, the amended Claim 1 forms a mounting groove on the sliding door (20) to couple and fix the supporting member (41) to the sliding door (20) (paragraph [0033]), and the transverse width of the movable door frame cannot be formed narrow in case the elements corresponding to the latch (28) supporting member, the latch (28), the spring, and the mounting groove of the prior art are formed on the movable door frame (16) as in the amended Claim 1. Therefore, any attempt to change the prior art's latch (28) supporting member, latch (28), spring, and formation position of the engagement edge for the latch would go against the technical problem of the prior art, or would render the prior art's original technical significance meaningless, and would not be easily conceivable to a skilled person.

The amended Claim 1 solves the technical problem of providing a locking structure that is relatively simple, yet capable of firmly securing the screen, by using the shape of the movable hole (42) formed on the supporting member (41), the mounting structure of the slider (44) and the supporting member (41), and the position of the jamming groove (45), which has the unique effect that the element of the jamming groove (45) on the front side of the slider (44) is organically combined with the rest of the elements to securely fix the screen. Meanwhile, it is difficult to conclude that a skilled person, who encounters the prior art and is not aware at all of the need to simplify the engagement structure or of the problem caused by the concentration of the force on the engagement hook (28b) from the winding means, would be able to easily think of, for the sake of simplifying the structure and providing a solid fixing force, changing the configuration to form a moving hole (42) through the supporting member (41), mount a slider (44) on the moving hole (42), and form a jamming groove (45) on the front side of the slider (44), as in the amended Claim 1, in order to simplify the structure and provide a solid fixing force unless the person judges in hindsight while already aware of the content of the amended Claim 1. In addition, the unique effects of the amended Claim 1 mentioned above cannot be predicted based on the prior art.

Case on Water Purifier

(Third Division) IP High Court Decision 2022Heo2608, decided May 2, 2023

Subject Matter	[Patent (Application)] Water Purifier
Administrative Decision	IPTAB Decision 2021Won2171, decided February 15, 2022
Category	Rejection (Patent)
Reference Provision	Article 29(2) of the Patent Act
Reference Decision	Supreme Court Decision 2013Hu2620, decided July 23, 2015

Issue at Hand

A case that held that the invention at issue is an invention to solve the problem of Prior Art 1 and that considering the difficulty of organically combining the elements into an integrated whole based on the unique solution principle of Claim 1, together with the unique effect of the invention as a whole, it cannot be concluded that a person having ordinary skill in the art (hereinafter, a “skilled person”) at the time of the application could have easily invented Claim 1 by combining Prior Art 1 with Prior Art 2, unless the person judges in hindsight while already aware of the technology disclosed in the specification of the invention at issue

Case Overview and Issues


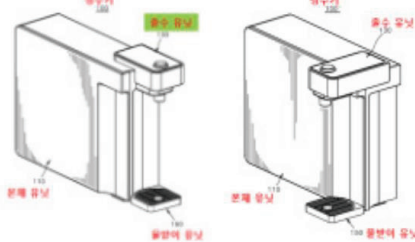
The plaintiff applied for the registration of the invention called “Water Purifier” on April 11, 2019 (Original application, dated June 11, 2018; Application No. 10-2019-0042327). The plaintiff appealed to the Korean Intellectual Property Trial and Appeal Board (hereinafter, the

“IPTAB”) and requested a trial to cancel the rejection decision, but the IPTAB rendered an administrative decision on February 15, 2022, to dismiss the plaintiff’s petition on the grounds that “Claim 1 can be easily invented by a person having ordinary skill in the art based on Prior Arts 1 and 2.”

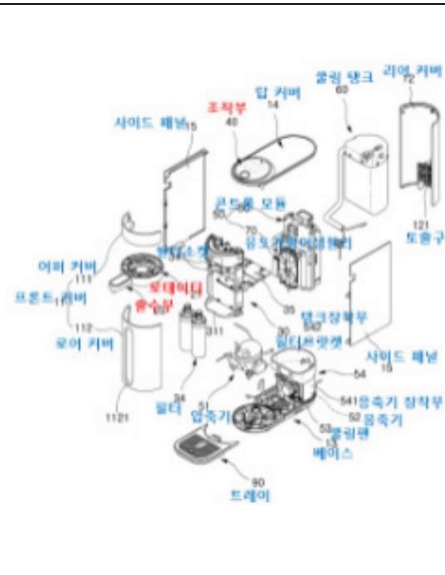
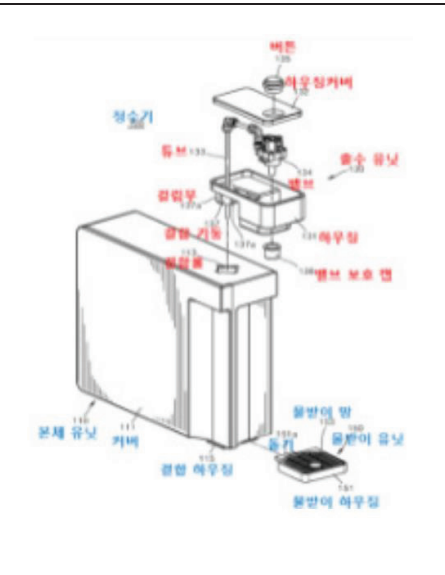
Summary of Decision

The administrative decision was revoked.

The differences between Claim 1 and Prior Art 1 include the position of forming the outlet (Difference 1), the element of the manipulator (Difference 2), the position of mounting the manipulator (Difference 2), the angle at which the outlet can be rotated to change its position (Difference 3), and the element of rotating the outlet and the manipulator and the operating principle to rotate the outlet and the manipulator (Differences 3 and 4).

Element	Claim 1		Prior Art 1	
Perspective View				
	국문	영문	국문	영문
	정수기	Water purifier	정수기	Water purifier
	조작부	Manipulator	출수 유닛	Outlet unit

	취출버튼	Dispense button	본체 유닛	Body unit
	해피 커버	Happy cover	물받이 유닛	Tray unit
	출수부	Outlet	정수기	Water purifier
	로어 커버	Lower cover	출수 유닛	Outlet unit
	로테이터	Rotator	본체 유닛	Body unit
	트레이	Tray	물받이 유닛	Tray unit
	탑 커버	Top cover		
	베이스	Base		
	사이드 패널	Side panel		
	프론트 커버	Front cover		
	베이스	Base		

Exploded Perspective View				
	국문	영문	국문	영문
	사이드 패널	Side panel	버튼	Button
	조작부	Manipulator	정수기	Water purifier
	탑 커버	Top cover	하우징커버	Housing cover
	쿨링 탱크	Cooling tank	튜브	Tube
	리어 커버	Rear cover	출수 유닛	Outlet unit
	어퍼 커버	Upper cover	밸브	Valve
	프론트 커버	Front cover	걸림부	Locking part
	로어 커버	Lower cover	걸림 기둥	Locking pillar
	출수부	Outlet	하우징	Housing
	로테이터	Rotator	결합홀	coupling hole

	필터소켓	Filter Socket	밸브 보호 캡	Valve protecting cap
	콘트롤 모듈	Control module	본체 유닛	Main unit
	유도가열 어셈블리	Induction heating assembly	커버	Cover
	토출구	Outlet	결합 하우징	coupling housing
	필터	Filter	돌기	Bump
	압축기	Compressor	물받이 망	Tray net
	필터브라켓	Filter bracket	물받이 유닛	Tray unit
	탱크장착부	Tank mounting part	물받이 하우징	Tray housing
	사이드 패널	Side panel		
	트레이	Tray		
	베이스	Base		
	쿨링팬	Cooling fan		
	응축기	Condenser		
	응축기 장착부	Condenser mounting unit		

In Prior Art 1, a user changes the position of the outlet by separating the outlet from the main unit, rotating it by a defined angle, and recombining it, but there are a few problems that (a) it is inconvenient to separate and recombine the outlet to change the position of the outlet, (b) damage may occur to the coupling part or the outlet pipe during the repeated separation and recombination process of the outlet, and (c) the outlet can only be positioned at a set position with a groove formed and cannot be positioned at an arbitrary point. Claim 1 is an invention to solve these problems of Prior Art 1.

Claim 1 (i) rotatably mounts the rotator inside the case and forms an outlet protruding forward from the front cover so that the outlet is connected to the rotator and rotates axially around the inside of the case (Elements 2 and 4) to (a) allow the user to change the position of the outlet from which water is dispensed by a simple rotational operation, (a) allow the user to change the position of the outlet, and (a) prevent kinking of the piping or damage to the fittings when rotating the outlet repeatedly. Also, Claim 1, to dispense water, (ii) mounts a user-operated control unit, including a dispense button, on the top cover and coaxially disposed on the upper side of the rotator so that when the outlet rotates, the operation part rotates together with the outlet while the operation part is mounted on the top cover (Elements 3 and 5) to (a) easily operate from the position where the water is dispensed, and (b) easily check the status.

Prior Art 1 forms a locking part (137a) on the coupling pillar (137) of the outlet unit (130) to allow it to change its position of engagement with the coupling hole (113) of the main unit (110) whereas in Claim 1, the outlet is connected to a rotator rotatably mounted inside the case so that the rotator rotates axially around the inside of the case. In other words, Claim 1 changes the “operating principle for rotating the outlet” from “coupling the coupling pillar with the coupling hole” of the conventional prior art 1 to the “rotation of the rotator.” By coupling the outlet with the rotator, the invention enables the outlet to be rotated to any point other than the defined position without the inconvenience of decoupling and recoupling the outlet when changing the position of the outlet, and by forming the operation part separately from the water

outlet part but coaxially disposed on the upper side of the rotator, it has the improved effect of making it easy to operate and check the status at the water outlet position and preventing damage even if the dispense button is operated repeatedly.

Prior Art 2 discloses a water purifier wherein a rotating member is mounted on a cabinet and can rotate left and right, and an extended cork part (160) extends from the rotating member and is integrally rotatable with the rotating member; the position at which purified water is dispensed through the extended cork part is varied according to the left and right rotation of the extended cork part. However, separating only the “rotating member (170) and the extended cork part (160)” of Prior Art 2 and introducing them into Prior Art 1 would be to devoid Prior Art 2 of its technical significance, which seems to be difficult for a skilled person to conceive. In addition, Prior Art 1 and Prior Art 2 have different principles for rotating the outlet unit (extended cork part), and the “coupling pillar and coupling hole” of Prior Art 1 can only be changed to a defined position and do not rotate freely, while the “rotating member” of Prior Art 2 rotates freely with no need to be recoupled. It cannot be concluded that it would be easy for a skilled person who encounters Prior Art 1 to change the “coupling pillar” of Prior Art 1 to the “rotating member” of Prior Art 2 in order to set the position freely, without being aware of the need to set the position not only in a defined position but also freely, or of the problem that the decoupling and coupling process is cumbersome, unless the person judges in hindsight while already aware of Claim 1.

06. Numerical Limitation Invention

Case on Trehalose

(Third Division) IP High Court Decision 2020Heo7739, decided June 22, 2023

Subject Matter	[Patent Right] Production Method for Powder Containing Crystalline α,α -Trehalose Dihydrate ³
Administrative Decision	IPTAB Decision 2019Dang2998, decided October 29, 2020
Category	Invalidation (Patent)
Reference Provision	Article 29(2) of the Patent Act
Reference Decision	Supreme Court Decision 2008Hu4998, decided August 19, 2010

Issue at Hand

A case that held that while the invention at issue limits the crystallinity of the inventive object, trehalose powder, to a certain numerical range, which has advantages in solubility and high hardness, the prior art suggests a motivation to recognize crystallinity as a means of solving a problem, and there is no critical significance to the numerical range of crystallinity limited by the invention at issue, and thus, a person having ordinary skill in the art (hereinafter, a “skilled person”) can easily derive the invention at issue based on the prior art

Case Overview and Issues

The defendant applied for a patent on powder containing crystalline trehalose dihydrate with

³ The title of the invention indicates that it is an invention of a manufacturing process while it is in fact an invention of a thing.

properties that can be used as a reagent as well as a food product (International Application Date/Date of Claimed Priority/Date of Translation Submitted/Registration Number: September 12, 2012/September 21, 2011, and July 30, 2012/April 21, 2014/November 12, 2015/No.10-1570059). The plaintiffs filed a petition seeking invalidation of the invention at issue, but the Korean Intellectual Property Trial and Appeal Board (hereinafter, the “IPTAB”) issued an administrative decision to dismiss the plaintiffs’ petition, stating, “The invention at issue cannot be easily invented based on the combination of the prior arts.”

Summary of Decision

The administrative decision was revoked.

The invention at issue merely adopts crystallinity, a property common in the technical field, as a means of solving the problem recognized in the prior art, and the limited numerical range of crystallinity is deemed to be within the range that a skilled person would be expected to examine in the process of starting from the powder of the prior art and adjusting its crystallinity in order to find a powder with appropriate solidity and solubility. Thus, it is difficult to conclude that the limited numerical range of crystallinity has critical significance. Therefore, the invention at issue can be easily derived by the prior art and thus is denied of an inventive step.

○ Whether the problem to be solved is recognized

The prior art also recognized balancing solubility and solidity as a problem to be solved.

① It is not deemed that the prior art limits the use of trehalose to specific fields requiring the highest levels of purity and crystallinity. ② In the prior art, a problem to be solved is recognized as the fact that trehalose has adequate solubility as an excipient. ③ In the prior art, it is recognized that fluidity and preservation are just as important as solubility when using

trehalose as an excipient. Since it was universally recognized in the prior art that caking⁴ is closely related to the preservation of powdered products, it is reasonable to conclude that caking of trehalose is also derived from, or at least implied by, the prior art as a problem to be solved with respect to improving fluidity and preservation.

○ Whether the means to solve the problem is recognized

It is difficult to consider that a skilled person would have chosen the means of controlling crystallinity as a means to solve the problem, and it is not the only way to control crystallinity to the specific numerical range of Claim 1. ① In general, it is well-known by a skilled person at the time of the priority date of the invention at issue that the degree of crystallinity varies depending on the proportion of amorphous and crystalline forms that comprise a compound, resulting in different physical properties, such as the solidity and solubility of the powder. ② A skilled person would reduce the crystallinity to improve solubility, but it would also increase the likelihood of caking problems in the powder. Thus, a skilled person would keep the circumstances above in mind and attempt to make adjustments to obtain a powder that exhibits balanced properties in terms of solidity and solubility. ③ In the invention at issue, crystallinity is controlled by controlling the cooling rate in a process for precipitating trehalose crystals from a trehalose-containing sugar solution, and crystallinity can vary not only by controlling the cooling rate, but also by a number of factors that can affect crystallization parameters, such as supersaturation and nucleation rate, which is also well known in the relevant technical field. ④ It is deemed that the crystallinity limited by Claim 1 can be achieved not only by the unique manufacturing process of the invention at issue, but also by other processes described in the preceding literature.

⁴ Caking refers to “a process in which dry powder particles (powders) form a solid mass mediated by moisture, starting with the adsorption of water molecules, followed by the attachment stage by cross-linking of liquid membranes between the powders, and then by repeated moisture absorption and drying.”

○ Whether the numerical limitation has a critical significance

It is difficult to conclude that the numerical limitation of the crystallinity limited by the invention at issue has a critical significance. ① The invention at issue does not provide any description to indicate why the 96.8% upper limit should not be exceeded, or what its critical significance is. ② The caking/dissolving test described in the invention at issue is only one example of a test performed under specific conditions and only describes the temperature among the many conditions that affect caking/dissolving. ③ Furthermore, the test relies on visual observation, which is not an objective and continuous way to determine the degree of caking/dissolving.

Case on Digestion-Resistant Carbohydrate Composition

(Third Division) IP High Court Decision 2021Heo4478, decided October 13, 2022

Subject Matter	[Patent Right] Food Products Comprising a Slowly Digestible or Digestion-Resistant Carbohydrate Composition
Administrative Decision	IPTAB Decision 2018Dang2990, decided May 31, 2021
Category	Invalidation (Patent)
Reference Provision	Article 29(2) of the Patent Act

Issue at Hand

A case that held that a person having ordinary skill in the art (hereinafter, a “skilled person”) would easily derive the invention at issue based on the prior art considering the state of the art at the time of the application for the following reasons: The invention at issue and the prior art share the same problem to be solved; The means to solve the problem of the invention at issue is suggested or implied by the prior art; and The numerical limitation in the invention at issue does not have critical significance

Case Overview and Issues

The plaintiff’s invention on “Food Products Comprising a Slowly Digestible or Digestion Resistant Carbohydrate Composition” was registered as a patent (Date of Claimed Priority/International Application Date/Registration Date/Registration Number: January 25, September 15, and December 14, 2006/January 24, 2007/March 4, 2015/No. 1500939). The

defendant filed an action in the Korean Intellectual Property Trial and Appeal Board (hereinafter, the “IPTAB”) on September 12, 2018, to invalidate the invention at issue on the grounds that the invention lacked sufficient description, novelty, and an inventive step. In the invalidation trial process, the plaintiff petitioned for a trial for corrections on July 6, 2020, to correct a part of the claims. The IPTAB rendered an administrative decision to accept the defendant’s petition on May 31, 2021, on the grounds that “the plaintiff’s petition for corrections is lawful and thus shall be accepted. The amended invention at issue does not include an explanation that provides sufficient descriptions so that a skilled person could easily practice it, is not supported by the explanation, and is not described clearly. Claims 1, 2, 7, 11, and 16 can be easily invented by a skilled person based on the prior art and thus is denied of an inventive step.”

Summary of Decision

The claim was dismissed.

1. Whether it is easy to overcome Differences 2 and 3 (Accepted)

A. Difference 2

○ Claim 1 does not describe any technical significance or effect of heating the aqueous nutritional composition (starch hydrolysate) and setting the lower limit of the heating temperature at 149°C.

○ A skilled person would fully recognize based on the methods and embodiments disclosed in the prior art that in order to activate the reaction, the starting material must be heated to a certain temperature before contact with the acid catalyst to reduce the moisture of the material.

○ Heating the aqueous nutritional composition to at least 149°C prior to contact with the acid catalyst in Claim 1 is a common preliminary step to activate the reaction and is merely an

option that a skilled person would appropriately choose based on the prior art.

B. Difference 3

○ The objective and technical characteristics of the inventions: Claim 1 and the prior art have the same technical problem--both produce slowly digestible or digestion-resistant substances--and the same means to solve the problem--both contact an aqueous nutrient-feeding composition with an acid catalyst at elevated temperatures for a period of time sufficient for non-digestible products to form.

○ Selection of the acid catalyst: Claim 1 limits the type of acid acting as a catalyst to inorganic acids, but the specification does not describe the technical meaning or working effect of limiting the type of acid. Meanwhile, the prior art discloses contents that allow a skilled person to easily recognize that inorganic acids can be used to produce non-digestible products from starch or starch hydrolysates. Moreover, the technology to use inorganic or organic acids to produce indigestible, low-calorie polysaccharides from starch hydrolysates such as glucose was already widely used at the time of the application of the invention at issue.

○ Acidity and heating time: Claim 1 limits the pH range to “1.0 to 2.5” and the heating duration to “0.1 to 15 minutes,” but the specification does not describe the technical significance or effect of these numerical limitations. The numerical limitations of Claim 1 can be selected by a skilled person after simple, repeated experiments and thus have no critical significance. Based on the contents disclosed by the prior art, a skilled person would recognize that the composition and properties of the starting material should be considered in selecting the appropriate process conditions such as the acid type and content, pH range, heating temperature, heating duration, etc.

2. Whether it is easy to overcome Differences 1 and 4 (Accepted)

○ The specification of Claim 1 does not describe the technical significance or effect of the numerical limitations of Claim 1, such as the “linear and non-linear dextrose oligomer concentration ratios and the polymerization degree range of the non-linear dextrose oligomers.”

○ Based on the prior art, a skilled person would easily recognize that the concentration of non-linear saccharide oligomers in the resulting composition is at least twice as high as the concentration of linear saccharide oligomers, and that the resulting composition contains non-linear dextrose oligomers with a polymerization degree of at least 3. Therefore, the properties of the resulting composition with respect to the concentration ratios and polymerization degree range disclosed in Claim 1 are merely those that a skilled person could easily predict from the prior art, taking into account the composition and properties of the starting materials, reaction conditions, etc.

07. Use Invention

Case on Raloxifene as Coronavirus Treatment

(Fourth-Two Division) IP High Court Decision 2021Heo5174, decided November 23, 2022

Subject Matter	[Patent (Application)] Composition for Ameliorating Coronavirus Infection With Raloxifene
Administrative Decision	IPTAB Decision 2021Won936, decided August 17, 2021
Category	Rejection (Patent)
Reference Provision	Article 29(2) of the Patent Act
Reference Decision	Supreme Court Decision 2016Hu502, decided January 31, 2019

Issue at Hand

1. “Therapeutic effectiveness for a new target disease” identified through drug repurposing/repositioning, as well as the invention of pharmaceutical use
2. Whether in silico screening using artificial intelligence lacks an inventive step when it is presented as a prior art

Case Overview and Issues

The scope of the patent rights of Claim 1 is “a composition for ameliorating coronavirus infection selected from the group consisting of SARS-CoV, MERS-CoV, HCoV-229E, HCoV-OC43, and SARS-CoV-2, wherein raloxifene or a pharmaceutically acceptable salt thereof is the active ingredient.” The examiner of the Korean Intellectual Property Office (hereinafter, the “KIPO”) issued a decision to reject the application of the invention at issue on the grounds

that the invention can be easily invented based on the prior art and thus cannot be registered as a patent. The Korean Intellectual Property Trial and Appeal Board (hereinafter, the “IPTAB”) also dismissed the plaintiffs’ petition for an administrative trial against rejection, stating, “Claim 1 is denied of an inventive step as its elements and effect can be easily derived and predicted based on the effectiveness of raloxifene in treating SARS-CoV-2 coronavirus infection disclosed in the prior art.”

Summary of Decision

The claim was dismissed.

1. Drug-repurposing or drug-repositioning, also known as drug recycling or drug reinvention, refers to a drug development method that identifies new target diseases for drugs that are already marketed and in use and therefore proven safe, or drugs that are safe in clinical trials but not licensed because their efficacy has not been sufficiently proved. Since drug-repurposing identifies a new target disease of a drug that was already effective for a specific target disease, the “therapeutic effectiveness for a new target disease” identified through drug reformulation can be considered a “use” in the invention of pharmaceutical use. Meanwhile, whether an invention lacks an inventive step shall be determined based on the scope and content of the prior art, and whether a person having ordinary skill in the art (hereinafter, a “skilled person”) could overcome the differences between the invention at issue and the prior art and easily derive the invention from the prior art considering the state of the art at the time of the application. Thus, in determining whether an invention lacks an inventive step, it is not necessary to compare the abstract superiority of certain technical means, but rather to compare the specific technological ideas disclosed in, suggested by, or implied by the prior art with those of the invention at issue.

2. Claim 1 does not specify a method for deriving a pharmaceutical use, but based on the

description of its specification, it is deemed to derive a new pharmaceutical use for raloxifene by an “in vitro” method, whereas the prior art derives it by an “in silico” method using a combination of correlation mapping and molecular docking analysis. Therefore, the issue in this case is whether a skilled person can easily predict the effectiveness of raloxifene for treating SARS-CoV-2 infection, the pharmaceutical use of the invention at issue based on the prior art using the in silico method.

3. The plaintiff argues, “The results of clinical trials or in vivo or in vitro tests constitute the pharmacological effects that constitute the invention of pharmaceutical use, and no one can know whether a drug selected through an in silico virtual search, as in the prior art, has the intended effect without conducting actual tests. The invention at issue directly confirms the effectiveness of raloxifene in vitro, whereas the prior art merely predicts the use of raloxifene in the treatment or prevention of SARS-CoV-2 infection through an in silico virtual search. Therefore, Claim 1 cannot be easily predicted by a skilled person based on the prior art and thus is not denied of an inventive step.”

However, a skilled person would easily predict from the prior art that “raloxifene can inhibit the activity of SARS-CoV-2 by binding relatively strongly to an enzyme required for the proliferation of the virus” considering the following facts and circumstances: ① In silico methods were already widely used in the field of drug-repurposing before the priority date of the invention at issue; ② There are known cases where drugs have been repurposed using various types of in silico methods, either alone or in combination; and ③ The analysis methods used in the prior art were already reliable and widely used in the field of drug discovery before the application date of the invention at issue, and the prior art, after the analysis using the methods, explicitly discloses raloxifene as one of nine drug candidates that are predicted to eventually have effects in treating COVID-19.

Case on Composition for Inhibiting Angiogenesis

(Fourth-Two Division) IP High Court Decision 2022Heo1827, decided February 15, 2023

Subject Matter	[Patent (Application)] Composition for Inhibiting Angiogenesis Using Extracts of <i>Zizania latifolia</i>
Administrative Decision	IPTAB Decision 2021Won1847, decided January 25, 2022
Category	Rejection (Patent)
Reference Provision	Article 29(2) of the Patent Act
Reference Decision	Supreme Court Decisions 2003Hu1550, decided December 23, 2004; 2006Hu3564, decided January 30, 2009; 2012Hu3664, decided May 16, 2014; and 2016Hu502, decided January 31, 2019

Issue at Hand

1. In cases where claims describe a disease that has already been identified as a pharmaceutical use of a particular substance or a mechanism of the pharmaceutical effect, whether the mechanism can be considered an element of the invention (Negative)
2. A case that held that Claim 1 is denied of an inventive step since it can be easily derived by a person having ordinary skill in the art (hereinafter, a “skilled person”) based on the claim construction above

Case Overview and Issues

Regarding the invention at issue of the plaintiff (Claim 1: A composition for inhibiting

angiogenesis comprising extracts from the whole grass of *zizania latifolia* as an active ingredient, characterized in that the extracts are mixed solvent extracts of water and ethanol), the examiner of the Korean Intellectual Property Office (hereinafter, the “KIPO”) issued a decision of rejection against the invention on the grounds that Claims 1 to 4 are denied of novelty and an inventive step by the prior art. The plaintiff petitioned for an administrative trial against rejection, but the KIPO examiner dismissed the petition reasoning that Claim 1 is denied of an inventive step by the prior art.

Summary of Decision

1. Claim Construction

In case the pharmaceutical use of a certain substance is already known by specifying the target disease or effect, even if the pharmacological mechanism is identified and included in the claims as long as it relates to the disease or effect of the year 2023, the pharmacological mechanism does not have the meaning of an element of the invention and cannot be the basis for acknowledging an inventive step.

It is reasonable to interpret “inhibiting angiogenesis” in Claim 1 as including “prevention, inhibition, or delay of the onset of a disease (hereinafter, the “treatment”) caused by angiogenesis, such as cancer, etc.,” and “inhibiting angiogenesis” can be an element of the invention only to the extent that it specifies such a pharmaceutical use, but it is difficult to consider it to be an element that limits the scope of the claims by itself.

The plaintiff argues that “inhibition of angiogenesis” itself can be recognized as a pharmaceutical use, and that “inhibition of proliferation, adhesion, and migration of vascular endothelial cells” and “inhibition of expression of angiogenesis-inducing factors” are its pharmaceutical mechanism, based on Supreme Court Decision 2003Hu1550, decided December 23, 2004, which held that the claims are described clearly even though the claims

refer to “inhibition of vasculogenesis,” not the treatment of a specific disease, as a pharmaceutical use. However, the Supreme Court decision above only determines whether the “inhibition of vasculogenesis” is perceived by a skilled person as a specific pharmaceutical effect and is clearly an expression of a pharmaceutical use considering the requirement of definiteness of the patent claims [Article 42(4)(2) of the old Patent Act (before amended by Act No. 8197 of January 3, 2007; the same shall apply hereinafter)] and the requirement of practicability of the patent specification [Article 42(3) of the old Patent Act], and does not conclude that “inhibition of vasculogenesis” itself is an element that limits the scope of the claims.

The plaintiff argues that “inhibition of proliferation, adhesion, and migration of vascular endothelial cells” and “inhibition of expression of angiogenesis-inducing factors” are the pharmacological mechanism of Claim 1, but they are just individual and specific sub-mechanisms of the pharmacological mechanism of “inhibition of angiogenesis.” Therefore, it is difficult to conclude that a pharmacological mechanism constitutes a medicinal use in itself just because it is a broader mechanism that encompasses sub-mechanisms.

2. Inventive Step

Element 2 (composition for inhibiting angiogenesis) is different from the prior art in that Element 2 limits its use to “inhibiting angiogenesis,” whereas the corresponding element of the prior art has an anti-cancer effect (reducing the survival rate of cancer cells) “through apoptosis.” A skilled person could easily derive a use for cancer treatment from the prior art disclosing the results of tests showing that extracts of *zizania latifolia* reduce cancer cell survival rates, and reviewing “inhibition of angiogenesis” is only an optional step in the process of reviewing the anticancer effects. Thus, Claim 1 has no difficulty in its configuration, and the difference above can be easily overcome.

Therefore, Claim 1 can be easily derived by a skilled person based on the prior art and thus is denied of an inventive step. The IPTAB decision is lawful as it is consistent with this conclusion.

08. Claim Construction

Case on Location Information Providing Service

(Twenty-fourth-Two Division) IP High Court Decision 2022Na1128, decided December 28, 2022

Category	Injunction Against Patent Infringement and Damages Claim
Reference Provision	Articles 97, 126, and 128 of the Patent Act
Reference Decision	Supreme Court Decisions 2001Hu2856, decided July 11, 2003, and 2010Hu2605, decided March 29, 2012

Issue at Hand

Claim Construction

Case Overview and Issues

The defendant is a company established for the purpose of developing, manufacturing, and selling computers and multimedia programs, as well as providing location information and location-based services, and since November 4, 2019, it has provided the “defendant’s location information providing service,” which informs users of their location information through “○○○ Map.” The plaintiff claimed that the defendant infringed the plaintiff’s patent by operating the defendant’s ○○○ map service, and sought an injunction, destruction, and damages.

First-Instance Decision

Seoul Central District Court Decision, 2019Gahap548250, decided January 28, 2022

The court dismissed the plaintiff's petition, concluding that the defendant's location information providing service does not include Element 5 (The step of registering a subscriber as a member of a group for providing location information includes the step of sending an invitation message to a wireless terminal of a subscriber to invite a new member at the request of another subscriber already registered in the group), and therefore does not fall within the scope of protection of the invention at issue.

Summary of Decision

The appeal was dismissed. / Exchangeable amendments to the claims are dismissed.

1. The plaintiff that the "existing member" in Element 5 describes the subject of the request in the step of sending an invitation message, which should be interpreted to include not only "existing members of a group inviting new members" but also "a person who wishes to make a group inviting members to form a group" (i.e., a person who invites another to a group before and after he/she becomes a member of the group).

However, based on the description of Element 5, it is reasonable to conclude that only an element that sends "an invitation message to a wireless terminal of a subscriber (who is not yet a member of the group) to become a new member of the group at the request of another subscriber already registered as a member of the group that has been already created" falls within the scope of the claims. Therefore, Element 5 is obvious in its technical scope even when only the description of the scope of the claims is considered. Element 5 cannot be broadly construed to mean "a subscriber who wishes to create a new group sends an invitation message (to invite new members) when the group has not yet been created," as argued by the plaintiff. If so, the technical scope of the invention at issue includes an element for creating a new group. However, an element "to invite a new member at the request of another subscriber already registered in the group" is deemed to indicate that an existing member registered in the group

invites a new member, assuming that the group has already been created, and it cannot be interpreted as requiring a person who wants to create a group to invite members to form a group, as argued by the plaintiff.

2. The defendant's location information providing service does not include Element 5 of the invention at issue and thus does not fall within the scope of the protection of the invention. Therefore, it is not reasonable to conclude that the defendant's service infringes the patent rights of the invention at issue.

Case on Stainless Steel Flux Cored Wire for Manufacturing LNG Tank

(Fifth-Two Division) IP High Court Decision 2022Heo2790, decided June 15, 2023

Subject Matter	[Patent Right] Stainless Steel Flux Cored Wire for Manufacturing LNG Tank
Administrative Decision	IPTAB Decision 2021So71, decided March 24, 2022
Category	Cancellation (Patent)
Reference Provision	Article 29(2) of the Patent Act
Reference Decision	Supreme Court Decision 2020Hu11059, decided January 28, 2021

Issue at Hand

1. Claim construction for describing the use of an invention of a thing

Case Overview and Issues

The Korean Intellectual Property Trial and Appeal Board (hereinafter, the “IPTAB”) rendered an administrative decision to accept the petition for patent cancellation, concluding, “The petition for corrections at issue is accepted. However, the amended Claims 1 and 2 lack novelty since they are substantially the same as Prior Arts 1 to 3, or they are denied of an inventive step by one of Prior Arts 1 to 3 or the combination of Prior Arts 1, 2, and 3. The amended Claims 3 and 4 are denied of an inventive step by Prior Art 4 or the combination of Prior Art 4 with Prior Art 7, etc.”

In response, the plaintiff filed an action to revoke the decision, arguing, “The invention at issue relates to stainless steel flux cored wire for manufacturing LNG tanks using 9% Ni steel as base metal, whereas the prior arts relate to flux cored wire using stainless steel, not 9% Ni steel, as base metal, and thus the two inventions are different in their base metal. Since it is technological common sense to select different welding materials according to the type, physical properties, etc. of the base metal alloy, it is deemed that a person having ordinary skill in the art (hereinafter, a “skilled person”) would not easily derive the invention at issue based on the prior arts. The decision at issue is unlawful since it concluded that the invention at issue lacks novelty or an inventive step without considering the differences in base metal between the invention at issue and the prior arts.”

The issue of this case is whether a skilled person would easily overcome the differences in base metal between the invention at issue and the prior arts. In this regard, claim construction shall be conducted regarding the part of the invention at issue that limits the base metal, that is, the description of the use of the invention of a thing.

Summary of Decision

The claim was dismissed.

1. Relevant Law

Article 2(3) of the Patent Act classifies inventions into “an invention of a thing,” “an invention of a process,” and “an invention of a process of manufacturing a thing,” and the scope of the claims of an invention of a thing shall be described in a way that specifies the elements of the object, which is the subject of the invention. Unless it is a use invention, which is essentially a patent that recognizes creativity in developing a new use based on the discovery of an unknown property of a substance (See Supreme Court Decision 2014Hu768, decided May 21, 2015 (en banc)), the use of a thing described in the claims of an invention of the thing

is only a means of specifying the structure or properties of the final product (e.g., a thing that has a structure or properties suitable for specific use) (See Supreme Court Decisions 2011Hu927, decided January 22, 2015 (en banc), and 2020Hu11059, decided January 28, 2021). Therefore, when determining whether an invention of a thing with its use stated can be registered as a patent, its technical elements should not be limited to the specific use itself, but should be identified as a thing having a structure or property specified by all the descriptions in the scope of the claims, including the descriptions of its use, and whether the invention lacks novelty or an inventive step shall be considered by comparing it with the prior art publicly known before the application. If the use of the thing described in the claims does not affect the structure or nature of the article, unless there are special circumstances, novelty or an inventive step of the invention is denied if the thing itself lacks novelty or an inventive. Simply limiting the use of the thing would not ensure novelty or an inventive step of the invention.

2. Analysis

The amended Claims 1 and 2 are an invention of a thing concerning stainless steel flux cored wire and limits its use in the claims (for manufacturing LNG tanks using 9% Ni steel as base metal). However, the limitation of its use to manufacture LNG tanks using 9% Ni steel as base metal does not change the structure or the nature of the stainless steel flux cored wire characterized by its components and the ratio of each component in the amended Claims 1 and 2. Therefore, the amended Claims 1 and 2 fall under the case where the structure or the nature of the thing itself does not change depending on the description of its use (limiting the base material to 9% Ni steel); if the thing is denied of an inventive step, the invention is also denied of an inventive step, and limiting the use of the thing does not mean that the invention is not denied of an inventive step.

Case on COVID-19 DNA Vaccine

(First Division) IP High Court Decision 2022Heo2530, decided April 27, 2023

Subject Matter	[Patent (Application)] COVID-19 Antigenic Protein, DNA Fragment Coding the Same, and Gene Vaccines Including the Same
Administrative Decision	IPTAB Decision 2021Won3203, decided February 24, 2022
Category	Rejection (Patent)
Reference Provision	Article 29(2) of the Patent Act
Reference Decision	Supreme Court Decision 2005Hu3284, decided September 6, 2007

Issue at Hand

1. Whether the prior art was publicly practiced (Affirmative)
2. A case that held that the scope of the rights of the invention is not acknowledged as it is identical to the prior art which is a publicly practiced invention

Case Overview and Issues

The plaintiff is a special juristic person established according to the Act on the Agency for Defense Development and applied for a patent regarding a DNA fragment for gene vaccines, etc. coding COVID-19 antigenic proteins (Divisional Application No. 10-2021-0035382 regarding the prior application dated November 12, 2020). The plaintiff petitioned for an administrative trial against rejection, but the Korean Intellectual Property Trial and Appeal

Board (IPTAB) dismissed the plaintiff's petition, reasoning, "Claim 2 is denied of an inventive step since it is easily invented by a person having ordinary skill in the art based on the combination of the prior arts, and in case grounds for rejection are found even in one of the claims, the application as a whole shall be rejected."

Summary of Decision

The claim was dismissed.

1. Claim Construction

Claim 2 seeks protection of the "DNA fragment" and the vector, which is the carrier, is different from genetic material. The plaintiff has already registered a patent regarding "the recombinant vector part" described in Claim 2, and the "target antigen" in the relevant claim is determined based on what vaccine to be made. For example, the antigen can be the "DNA fragment" above. The plaintiff argues that "the recombinant vector part" above is a description of the manufacturing method. However, since the part itself cannot be the manufacturing method of the "DNA fragment" and does not change the gene sequence of the "DNA fragment" as acknowledged by the plaintiff, "the recombinant vector part" is not deemed to be a technical element specifying "DNA fragment," which is the subject of the invention in Claim 2.

2. Inventive Step

Element	Claim 2	Prior Art 1
1	A DNA fragment consisting of gene sequence with the sequence number 4 (for COVID-19 gene vaccines	Protein variants of SARS-CoV-2 spike proteins

	coding COVID-19 antigenic proteins)	
2	Replaced by Y449A, N487A, Q493A, N501G, Y505G, R683G, R685G, R815G, K986P, and V987P	S1/S2 furin cleavage site 682-685 is replaced by GSAS, and residues 986 and 987 are replaced by proline (P).

With regard to the element of Claim 2 about the replacement by Y449A, N487A, Q493A, N501G, and Y505G (Difference 1), since the positions of the receptor-binding motif (RBM) closely interacting with the receptor of SARS-CoV-2 are disclosed as Nos. 449, 487, 489, 493, 501, and 505 in Prior Arts 2 and 3, a person having ordinary skill in the art would try to replace their residues and first consider the replacement by nonpolar amino acids alanine (A) or glycine (G), the amino acids with the simplest structure. Methods to easily replace amino residues, such as alanine scanning, were already commonplace at the time of the application. A person having ordinary skill in the art would easily try the replacement by glycine (G) in Element 2 of Claim 2--the element to replace S1/S2 furin cleavage sites with R683G and R685G (Difference 2) and the element to replace the S2' site with R815G (Difference 3)--since the sites are disclosed as candidates for residue replacement by the prior arts. Also, the evidence submitted by the plaintiff is not sufficient enough to support that Claim 2 has a significant effect that cannot be predicted in the prior arts.

Therefore, Claim 2 cannot be registered as a patent as it is denied of an inventive step, and the IPTAB decision is lawful.

09. Enablement Description Requirements

Case on Polyolefin Microporous Membrane

(Fourth-Two Division) IP High Court Decision 2020Heo7760, decided February 1, 2023

Subject Matter	[Patent Right] Polyolefin Microporous Membrane
Administrative Decision	IPTAB Decision 2020Dang794, decided December 2, 2020
Category	Invalidation (Patent)
Reference Provision	Articles 42(3)(i) of the Patent Act
Reference Decision	Supreme Court Decisions 2010Hu2582, decided October 13, 2011; 2014Hu1747, decided December 29, 2016; 2000Hu2958, decided November 30, 2001; and 2013Hu525, decided September 24, 2015

Issue at Hand

Criteria for determining the enablement requirement of a parameter invention

Case Overview and Issues

The invention at issue is a chemical invention for a polyolefin microporous membrane, which is widely used as a separating membrane for secondary batteries, and a parameter invention that limits figures such as “the thermal shrinkage rate in the width direction (TD thermal shrinkage rate), the thermal shrinkage rate in the length direction (MD thermal shrinkage rate), and the ratio of these thermal shrinkage rates (MD/TD thermal shrinkage rate ratio) at 65°C,” and combines them to identify a thing.

The plaintiff filed an action against the patentee, which is the defendant, to invalidate its patent, arguing that it lacks supporting descriptions, lacks an inventive step, and violates the extended first-to-file rule, but the Korean Intellectual Property Trial and Appeal Board (hereinafter, the “IPTAB”) rendered an administrative decision to dismiss the plaintiff’s petition. The plaintiff requested a trial to revoke the administrative decision and further argued that the invention did not meet the enablement requirement.

Summary of Decision

The administrative decision was revoked.

1. The legal principles of Article 42(3)(i) of the Patent Act and the preceding decisions shall also apply to parameter inventions, which are patented inventions that include descriptions that identify an object by its properties or characteristics. The inventions using parameters created by the inventor or newly configured from common parameters can be easily recognized to have novelty and an inventive step because its prior arts are hard to find, but the technical meaning of the parameters cannot be easily grasped by anyone other than the inventor, and it is difficult to reproduce them because meeting the implementing conditions of the parameters would not be easy. Therefore, whether a parameter invention meets the description requirement shall be determined based on the unique characteristics of parameter inventions and whether a person having ordinary skill in the art (hereinafter, a “skilled person”) can clearly understand the elements and effects of the parameter invention and easily reproduce it based on the descriptions of the specification without adding excessive experiments or special knowledge considering the state of the art at the time of the application.

“Matters relating to the elements and the effects given the unique characteristics of parameter inventions” include the significance or the technical meaning of the parameter, a method for preparing the object that satisfies the parameter, a description of methods, conditions, and

apparatus for measuring variables related to the parameter, a comparison of embodiments that satisfy the parameter with those that do not, a correlation between the parameter and its effects, and, if the parameter includes a numerical limit, the numerical range and the reason for the numerical limit. However, the items listed above are merely representative of what a skilled person would consider in determining whether the invention can be understood and readily reproduced based on the specification, and are not intended to imply that the invention is practicable only if all of the items are accurately and fully described.

Therefore, whether a parameter invention meets the enablement requirement depends on whether a skilled person could accurately understand all the elements and effects of the invention and easily reproduce it without adding excessive experiments or special knowledge based on the descriptions of the specification about the significance or the technical meaning of the parameter, the reason for the numerical limit of the parameter, the implementing and checking method of the parameter, correlation between the parameter and its effects, etc. considering the state of the art at the time of the application.

2. If the inventor has arbitrarily created a parameter or combined existing, common parameters in a new way, and the specification does not disclose them or discloses them insufficiently, a skilled person would not understand what they are and what their technical meaning is, and it may take a great deal of effort, experimentation, etc. to understand them. Therefore, for a skilled person to practice the parameter invention easily according to the descriptions of the specification, the significance and technical meaning of the parameter need to be easily understood.

3. Since a method to manufacture a substance limited by a parameter is often not readily apparent from the description of the elements, if the specification does not sufficiently describe

a specific method or process conditions for manufacturing a thing consistent with the parameter, a skilled person would have to add excessive experiments or specialized knowledge, such as changing many conditions, to obtain such a parameter. Also, if the method, conditions, apparatus, etc. for measuring the parameter are not precisely disclosed, it may be difficult to verify that the resulting material is limited by the parameter, which may violate the enablement requirement.

4. In order for a skilled person to easily practice the invention disclosed in the specification, the specification must clearly disclose not only the elements of the invention but also the effects that the invention implements, and in particular, since the patentability of a parametric invention depends on the correlation between the elements and the effects limited by the parameter, it is difficult to believe that a skilled person can easily reproduce the invention based on the state of technology at the time of the application if the causal relationship between the elements and the effects is not sufficiently supported or if it is difficult to confirm or trace the validity within the entire range of the numerical limitation.

Case on Porous Plate with Dimples

(Second Division) IP High Court Decision 2022Heo4710, decided March 10, 2023

Subject Matter	[Patent Right]
Administrative Decision	IPTAB Decision 2021Dang1925, decided August 5, 2022
Category	Invalidation (Patent)
Reference Provision	Articles 29(2) and 42(3) of the Patent Act

Issue at Hand

A case that held that the amended invention at issue does not lack sufficient description but is denied of an inventive step by the prior arts

Case Overview and Issues

The plaintiff filed a petition seeking invalidation against the defendant, arguing, “The registration of the invention at issue before correction shall be invalidated since the invention can be easily derived by a skilled person based on the prior arts and thus is denied of an inventive step.” In response, the defendant petitioned for corrections to correct Claim 1 and the relevant contents of the specification. The Korean Intellectual Property Trial and Appeal Board (hereinafter, the “IPTAB”) dismissed the plaintiff’s petition, on the grounds that “the petition for corrections at issue is lawful and the amended invention at issue is not denied of an inventive step by the prior arts.”

Summary of Decision

The administrative decision was revoked.

1. Whether the amended invention lacks sufficient description

The amended Claim 1 is “a dimpled porous plate for lower catchment, comprising synthetic resin granules bonded together by fusion and assembled on the upper part of a perforated block-type lower catchment installed on the bottom of a filter paper to support a filter medium forming a filter layer, wherein filtered water, backwash water, and air flow and pass through the internal pores, and each of the granules above has a spherical shape and is formed with a number of indented grooves distributed on its surface to form a dimpled structure like a golf ball.”

The meaning of “a number of indented grooves” is clear, and a skilled person accurately interprets “distributed” in “a number of indented grooves ‘distributed’ on its surface” as “the grooves not concentrated on a small part of the surface but distributed throughout the surface.” Therefore, “formed with a number of indented grooves distributed on its surface to form a dimpled structure like a golf ball” modifies the “granules” and their meaning is clear. It is not deemed that the invention lacks sufficient description as argued by the plaintiff.

2. Whether the amended invention lacks an inventive step

A. The amended Claim 1

Element 2 is characterized in that “each granule ... is formed with a number of indented grooves distributed on its surface to form a dimpled structure like a golf ball,” whereas Prior Art 1 does not state such a description.

Element 2 can reduce the flow resistance of the fluid and provide the function of expanding the pores, which can more effectively reduce the size of the pores from being reduced or closed by the phenomenon of sticking together, and has the effect of effectively preventing the porous

plate from being closed by foreign matter or microorganisms from adhering and growing. However, the differences above can be easily overcome when a skilled person combines Prior Art 1 with Prior Art 2 for the following reasons: Prior Art 2 clearly shows a grooved structure on the surface of the HDPE granules comprising the porous plate; Its effect is also predictable from Prior Art 2; and It is also difficult to see that there is any difficulty in the combination of the inventions. In addition, based on Prior Art 5, etc., it is reasonable to conclude that the porous plate formed by polymer granules having grooves on the surface was widely known before the application of the invention at issue, and its effect is expected to be accompanied. Thus, the differences above can be easily overcome by a skilled person by combining Prior Art 1 with Prior Art 5.

B. The amended Claim 3 can be easily derived by a skilled person by combining Prior Arts 1 and 2 with Prior Art 4 or Prior Arts 1 and 5 with Prior Art 4 considering that Prior Art 4 discloses an element corresponding to the technological characteristics of the amended Claim 3; The technical significance of the amended Claim 3 is that the porous plate forms an upper layer with relatively small-sized pores and a lower layer with relatively large-sized pores, which is the case with Prior Art 4; and The numerical limitation in the amended Claim 3 is a mere numerical limitation that a skilled person could properly select after ordinary and repeated experiments.

Therefore, the amended invention at issue is not deemed to lack sufficient description as argued by the plaintiff, but can be easily derived by a skilled person based on the prior arts and thus is denied of an inventive step.

10. Supporting Description Requirement

Case on Test Socket With High-Density Conduction Section

(Second Division) IP High Court Decision 2021Heo3925, decided March 24, 2023

Subject Matter	[Patent Right]
Administrative Decision	IPTAB Decision 2019Dang1045, decided April 29, 2021
Category	Invalidation (Patent)
Reference Provision	Article 42(4) of the Patent Act

Issue at Hand

A case that held that there are no grounds for invalidation as the amended invention at issue does not lack sufficient description regarding its supporting elements or definiteness

Case Overview and Issues

The defendant filed a petition against the plaintiff, seeking invalidation of the invention at issue, arguing that the invention is denied of an inventive step. The Korean Intellectual Property Trial and Appeal Board (hereinafter, the “IPTAB”) rendered an administrative decision to invalidate the registration of the invention at issue. The plaintiff initiated a case to revoke the administrative decision above against the defendant and petitioned for a correction trial in the IPTAB to correct the scope of the claims of the invention at issue. The IPTAB then acknowledges the correction. The defendant filed an action against the plaintiff to invalidate the correction affirmed by the correction decision above. The IPTAB dismissed the defendant’s petition. The defendant appealed and filed an action to revoke the decision (IP High Court 2022Heo4154) and the case is pending before the Intellectual Property High Court (hereinafter,

the “IP High Court”).

Summary of Decision

The administrative decision was revoked.

1. Interpretation of “the material harder than the supporting sheet (120) above” [0052] of the specification of the amended invention at issue

The specification of the amended invention states that the insulating supporting part supports the first conductive part and the supporting sheet supports the second conductive part, and therefore, it is easy to notice that the supporting sheet shall be compared to the second conductive part. Thus, it is reasonable to conclude that “the material harder than the supporting sheet above” shall be considered a clerical error of “the material harder than the second conductive part above (or the elastomer of the second conductive part).”

2. Whether the amended invention at issue lacks sufficient description (in terms of the supporting description and definiteness requirements)

The “position offset effects” of the amended Claims 1 and 10 are supported by the description and are clearly and concisely described considering that the effects can be seen even when the through-hole is filled according to the correction.

3. Whether the effects of preventing terminal damage in the amended Claim 3 lack sufficient description

Since the through-hole of the supporting sheet of the amended invention at issue is filled with conductive particles and insulating material, the fact that “the terminal contacts the circumferential surface of the through-hole of the supporting sheet above” can be easily understood as the terminal contacting the upper surface edge of the filled second conductive

part inside the through-hole surrounded by the supporting sheet, rather than contacting the diameter decreasing part located at the vertical boundary of the supporting sheet and the through-hole. Therefore, the invention is supported by the description and is clearly stated.

11. Amendment and Correction

Case on Golf Tee

(First Division) IP High Court Decision 2022Heo4765, decided May 11, 2023

Subject Matter	[Utility Model (Application)] Golf Tee
Administrative Decision	IPTAB Decision 2022Won580, decided August 1, 2022
Category	Rejection (Utility Model)
Reference Provision	(Article 11 of the Utility Model Act) Article 47(3)(i) of the Patent Act
Reference Decision	Supreme Court Decisions 2004Hu2451, decided September 30, 2005, and 2007Hu3820, decided December 10, 2009

Issue at Hand

1. Whether the decision that held the dismissal of amendment can be justified on the basis of a new ground for rejection that has never been raised in the decision of dismissal of amendment is procedurally unlawful (Negative)
2. A case that denied an inventive step of the applied utility model on the premise that the decision to dismiss the amendment is lawful

Case Overview and Issues

The plaintiff applied for the registration of a utility model No. 20-2020-0001619 concerning Golf Tee on May 14, 2020, and received a Notice of Grounds stating that “the claims of the applied utility model are not supported by the description of the device; Claims 1, 2 and 3 are

identical to the Prior Utility Model 1; and (3) Claims 4 and 5 can be extremely easily devised from the Prior Utility Models 1 and 2.” In response, the plaintiff amended the claims but received rejection notices. While seeking reexamination, the plaintiff amended the claims once again (hereinafter, the “reexamination amendment”). However, on February 14, 2022, the examiner of the Korean Intellectual Property Office (hereinafter, the “KIPO”) issued a decision to dismiss the reexamination amendment, stating that there is “a new ground for rejection” as the reexamination amendment can be extremely easily devised by the combination of the prior utility models,” and to reject the request for reexamination, concluding that “the grounds for rejection were still not resolved.” Although the plaintiff filed an appeal against the above rejection with the Korean Intellectual Property Trial and Appeal Board (hereinafter, the “IPTAB”), the IPTAB, on August 1, 2022, issued an administrative decision to dismiss the plaintiff’s appeal, ruling that “the decision to dismiss amendment is lawful as the reexamination amendment does not fulfill amendment requirements with newly written claims as well as a new ground for rejection and the applied utility model can be extremely easily devised by prior utility models.” The plaintiff filed suit against the above rejection arguing that “Claim 6 of the amended utility model does not violate Article 47(3)(i) of the Patent Act as it is was derived from the reduction of Claim 1 or 5, and the above decision is procedurally unlawful because the IPTAB sustained the decision of dismissal based on the grounds that was not discussed in the dismissal of amendment, further arguing that the inventive step of Claim 1 of the amended utility model shall not be denied.

Summary of Decision

The claim was dismissed.

1. Lawfulness of reexamination of amendment

Merely adding the dependent claims to technically limit and specify an independent claim

does not constitute a reduction in the number of claims. Claim 6 of the amended utility model does not constitute the reduction of Claim 1 of the applied utility model because the reexamination amendment partly added and limited Claim 1 of the applied utility model and added the amended dependent Claim 6 from which it depends. Also, the amended Claim 6, which falls under a dependent claim of the amended Claim 1, shall not be regarded as the reduction of Claim 5 of the applied utility model for Claim 5 is an independent claim and the two are different in terms of their composition. In light of the amendment procedure of reexamination and procedural history, it is recognized that the plaintiff had no intention to reduce Claim 5 of the applied utility model.

Unlike rejection, if the KIPO Examiner dismisses the amendment, there is no provision that stipulates that he/she shall notify an applicant of grounds and provide an opportunity to amend and submit written arguments. Hence, even if the IPTAB determined that the decision of dismissal is lawful relying on a new ground that has never been raised in the decision to dismiss the amendment without providing the claimant, who is the applicant, with an opportunity to submit arguments, the IPTAB did not err in its decision. In this case, Article 170(1) of the Patent Act that is applied when different grounds for rejection are raised and the reexamination of the Examining Procedure of the KIPO that is applied when amendments are acknowledged are not applicable. Further, there is no reason to believe that the decision to dismiss the amendment has deprived the plaintiff of the opportunity for divisional application.

2. Denying an inventive step of Claim 1 of the applied utility model

The protruding portion of Claim 1 of the applied utility model is substantially identical to the structure and function of an elastic member (particularly the part combined with the grooves) of Prior Utility Model 1. Moreover, the shape and the number of the elastic members of Prior Utility Model 1 are subject to a simple design change that is adjustable depending on the needs

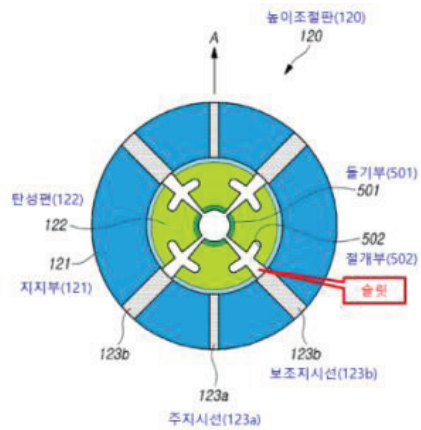
of a person having ordinary skill in the art.

Therefore, Claim 1 of the applied utility model is not patentable as its inventive step is denied, and thus, the applied utility model shall not be granted [Utility Model Right] without further reviewing the rest of the claims.

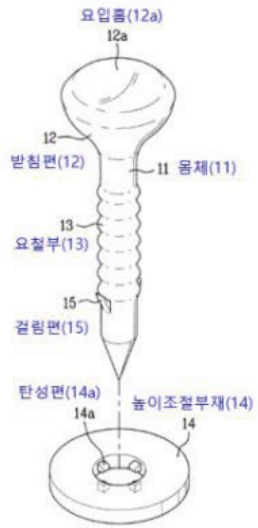
Element	Claim 1 of the Applied Utility Model	Prior Utility Model 1
1	A shaft in a rod shape having multiple support grooves formed and embedded from the outer surface and spaced apart vertically.	A structure of integrally forming a shaft with a sharp bottom that forms a perpendicular angle to be easily inserted into the ground and grooves formed on the outer circumferential surface along the circumference of the shaft independently and spaced repeatedly along the longitudinal direction from an overall aspect.
2	A height-adjustment plate including a truss, a plate having a hole in which the shaft is inserted, and an elastic member formed projecting toward the inner side of a truss having an inner end attached to a truss.	A structure having a height-adjusting member with multiple elastic pieces integrated into its inner diameter, allowing them to be selectively fastened in the grooves of the shaft when the shaft moves up and down by selectively being engaged with each protrusion.
3	A golf tee comprising a protruding portion inserted in a support groove on the inner end of an elastic member.	



국문	영문
골프티(100)	Golf tee
몸체(110)	Shaft
지지홈(111)	Support groove
마커(112)	Marker
높이조절판(120)	Height adjustment plate
탄성편(122)	Elastic member
지지부(121)	Truss
방향지시선(123)	Directional support line



국문	영문
높이조절판(120)	Height adjustment plate
탄성편(122)	Elastic member
돌기부(501)	Protruding portion
지지부(121)	Truss
절개부(502)	Holes
주지시선(123a)	Main leader
보조지시선(123b)	Auxiliary leader



국문	영문
요입홈(12a)	Concave groove
받침편(12)	Supporting piece
몸체(11)	Shaft
요철부(13)	Grooves
걸림편(15)	Fastening piece
탄성편(14a)	Elastic member
높이조절부재(14)	Height adjusting member

Case on Coupling Parts of Metal Pipes

(Second Division) IP High Court Decision 2022Heo2202, decided November 25, 2022

Subject Matter	[Patent Right (Application)]
Administrative Decision	IPTAB Decision 2021Won716, decided January 20, 2022
Category	Rejection (Patent)
Reference Provision	Articles 29(2), 42(3), and 42(4) of the Patent Act

Issue at Hand

A case that held that amendments made to claims lack definiteness in their meanings and therefore shall be considered unlawful, and an inventive step of the claimed invention is denied by the prior arts

Case Overview and Issues

Although the plaintiffs submitted an amendment to specification, etc., the examiner of the Korean Intellectual Property Office (hereinafter, the “KIPO”) issued a decision to dismiss the amendment on the ground that “amendments do not correspond to any of the subparagraphs of Article 47(3) of the Patent Act. In addition, the claimed invention lacks an inventive step because it can easily be driven by Prior Arts 1 and 2.” In response, the plaintiffs filed an appeal to revoke the decision to dismiss the amendment and rejection. The Korean Intellectual Property Trial and Appeal Board (hereinafter, the “IPTAB”) rejected the petition for trial on the ground that “amendment does not fall under the cases where amendments stipulated by each subparagraph of Article 47(3) of the Patent Act can be made and the inventive step of the

claimed invention in Claim 1 at issue is denied because it can easily be driven by Prior Arts 1 and 2.”

Summary of Decision

The claim was dismissed.

1. Discussion on the lawfulness of amendments to the subject invention

In Amendment 1, the expression “A fixed flange that is attached to the inner pipe having an expansion region in one direction” is literally ambiguous in meaning because “having an expansion region in one direction” is unclear what it modifies; if the phrase “having an expansion region in one direction” is construed to modify “a fixed flange,” the meaning of an expansion region becomes indefinite, and thus, the amendment in this invention is unlawful.

2. Discussion on whether the subject invention lacks an inventive step

Element 6 is “a flange that is fixed at the end of the inner pipe and the clamp wedge and a pipe collar are identically provided in the interior; a locking ring to prevent the flange from outward displacement is formed in the metal pipe that is inserted at the end of the said inner pipe; at the other end of a locking ring, a pressure ring, an o-ring, and a packing ring are placed at the other end of the pipe collar and the metal pipe and the tightening of the flange itself forms airtight seal.” Since Prior Art 1 has no corresponding element (Difference 1), there is a difference between Element 6 and Prior Art 1. The said Difference 1 may be easily overcome by a person having ordinary skill in the art (hereinafter, a “skilled person”) by examining embodiments in Prior Art 1 because Drawing 6, another embodiment of Prior Art 1, identically arranges elements for the combination due to a symmetrically formed subject article.

While Element 7 describes “when the flange is fastened together, it can be closely combined without any spaces,” Prior Art 1 has no corresponding element, thereby showing a difference

(Difference 2). The said difference can be easily overcome because Element 7 may be substantially identical to Prior Art 1 with respect to the tightness of the combining parts such as a locking ring, a supporting ring, and a packing, etc., when the operating flange and the fixed flange are fastened together, considering the description and the drawings of the claimed invention.

Therefore, the inventive step of the claimed invention in Claim 1 at issue is denied as it can be easily invented by a skilled person by Prior Art 1.

12. Confirmation of the Scope of Rights

Case on Vegetable Cutter Slicing into Small Slices

(Fourth-One Division) IP High Court Decision 2022Heo1766, decided November 30, 2022

Subject Matter	[Patent (Application)] Vegetable Cutter Slicing into Small Slices
Administrative Decision	IPTAB Decision 2020Dang3349, decided January 27, 2022
Category	Confirmation of the Scope of Right (Patent)
Reference Provision	Article 135 of the Patent Act
Reference Decision	Supreme Court Decisions 2002Hu2419, decided June 10, 2003, and 2011Hu2626, decided October 25, 2012

Issue at Hand

1. Specification and perception of the challenged invention
2. Whether the challenged invention is executable

Case Overview and Issues

Regarding an affirmative confirmation trial for the scope of rights that the defendant filed, the Korean Intellectual Property Trial and Appeal Board (hereinafter, the “IPTAB”) has granted it in its ruling on the ground that the challenged invention is subsumed in the scope of right, for the reasons that the challenged invention is lawfully specified to be compared to the claimed invention; the action filed by the defendant does not constitute an affirmative confirmation trial

to define the scope of the right; and the challenged invention has all the elements of the claimed invention, on the premise that the plaintiff executes the challenged invention.

The plaintiff has filed an action to seek revocation of the decision, arguing that the confirmation trial has no benefit of an acknowledgment as the challenged invention is different from the executed invention (hereinafter, the “invention claimed to be executed”) by the plaintiff.

Summary of Decision

The claim was dismissed.

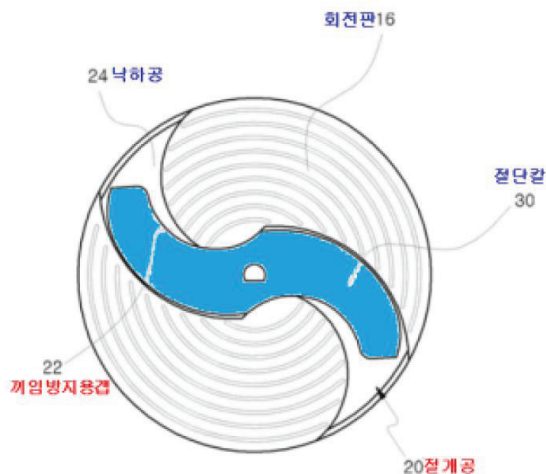
1. In accordance with the description of the specification of the challenged invention, the “anti-jamming gap (22)” of the challenged invention is characterized by “the structure where the cutting hole is bigger than the cutter blade in order not them to overlap on the rotating plate without jamming, and its size proportionally increases along with the distance of the rotating axis.”

2. While the plaintiff argues that there is no change in the size no matter how far the anti-jamming gap—between the cutter blade and the cutting hole—distances from the rotating axis, the defendant asserts that it is confirmed that the more the anti-jamming gap, which is in the middle of the cutting blade and the cutting hole, distances from the center of the rotating axis, the greater the size becomes if the cutter blade is correctly fastened.

As to whether the invention claimed to be executed has an aforementioned “anti-jamming gap,” it seems reasonable to conclude that there is an “anti-jamming gap” that increases proportionally as it distances from the center of the rotating axis, shaped by the slightly bigger cutting hole than the cutting blade on the rotating plate in the plaintiff’s invention in the light of the verification result of the court. [However, when compared to the “anti-jamming gap” of

the executed invention of the plaintiff submitted by the defendant, the size that proportionally increases as it “distances from the rotating axis” is relatively small. However, even the description or drawings of the challenged invention do not set the increasing proportion or degree of the size but merely explain that the anti-jamming gap (22) is a shape that proportionally increases in size as it distances from the rotating axis.” Therefore, it is reasonable to determine that the executed invention submitted by the plaintiff has an “anti-jamming gap” that increases proportionally in its size as it distances from the rotating axis.]

3. It is reasonable to conclude that the plaintiff has executed the challenged invention, for the “interior partition wall” and the “anti-jamming gap” of the challenged invention are identically formed onto the “invention claimed to be executed” by the plaintiff from the factual point of view.



국문	영문
회전판(16)	Rotary plate (16)
절개공(20)	Cutting hole (20)
끼임방지용캡(22)	Anti-jamming gap (22)

낙하공(24)	Insertion hole (24)
절단칼(30)	Sitting cutter blades (30)

Case on Steamed Crustacean in Heat-insulated Box for Packaging

(Second Division) IP High Court Decision 2022Heo1377, decided October 28, 2022

Subject Matter	[Utility Model Right] Heat-insulated Box for Packaging Steamed Crustacean
Administrative Decision	IPTAB Decision 2021Dang2129, decided January 4, 2022
Category	Confirmation of the Scope of Right (Utility Model)
Reference Provision	Article 33 of the Utility Model, Article 140(2) of the Patent Act
Reference Decision	Supreme Court Decisions 93Hu1926, decided May 12, 1995, and 2004Hu486, decided September 29, 2005

Issue at Hand

1. Whether there is a benefit of an acknowledgment in the case where the challenged utility model specified by the plaintiff is different from the practiced utility model by the plaintiff in a defensive confirmation trial for the scope of rights (Negative)
2. Whether it should be viewed as substance changes after the amendment was made because the identical principle of the invention would not be applied as there is a change in terms of whether the registered utility model solved the technical problem, and the function and the

effect of the invention (Positive)

3. A case that held that amendments to the challenged utility model during a trial constitute substance changes, the challenged utility model before amendments cannot be deemed to be specified in detail, and even if amendments to the challenged utility model do not constitute substance changes, it shall not be deemed to be specified in detail

Case Overview and Issues

The plaintiff filed an action for a defensive confirmation trial for the scope of rights with the Korean Intellectual Property Trial and Appeal Board (hereinafter, the “IPTAB”), arguing that “the challenged invention does not fall into the scope of the rights of the registered utility model” against the defendant. The IPTAB dismissed the plaintiff’s claim, ruling that “the amendments to the challenged utility model do not constitute the substance change because it merely added elements that the challenged utility model should have had and the challenged utility model falls into the scope of rights of Claims 1, 5, and 6 of the registered utility models.

Summary of Decision

The administrative decision was revoked.

1. Whether there are benefits of suit

In a defensive confirmation trial for the scope of rights, it shall not be deemed to be unlawful for the reason that there is no benefit for acknowledgment in the petition for a trial merely on the ground that the challenged utility model specified by the plaintiff and the technology practiced by the plaintiff is different as the defendant argues because, in a defensive confirmation trial for the scope of rights, the subject matter of a trial is the challenged invention

specified by the claimants even though the technologies practiced by the claimants are different from the specific invention that is a subject matter of a trial, and not only what is practiced at the moment but also what is planned to be executed can be brought as the subject matter of a trial in a defensive confirmation trial for the scope of rights.

2. Whether amendments to complaints fall under the substance change

Amendments to the challenged utility model during the trial constitute substance changes because the identical principle of the invention would not be applied to the invention after amendments for the following reasons: (1) the temperature at the time when the steamed crustacean is stuffed in the heat-insulated box and the heat capacity of the liquid container (specific heat, volume, etc.) before the steamed crustacean is stuffed in the heat-insulated box are main elements of Claim 1 of the registered utility model according to the description; (2) it is deemed that the registered utility model's problem to be solved differs before and after amendments are made as "40 °C below (slightly under or over the temperature) or the room temperature" of an aluminum can of the challenged utility model does not seem to solve the technical problem while an aluminum can with the temperature range of "40°C ~ 68°C" of the challenged utility model after the amendment seems to be able to solve the technical problem within this certain temperature range; (3) the function and the effect of the invention changes after amendments are made because before the amendment, "40 °C below (slightly under or over the temperature) or the room temperature" of an aluminum can of the challenged utility model are lower than 45°C to 50°C, which is the temperature range when the steamed crustacean is stuffed, so that it can hardly seal heat from the steamed crustacean. However, after the amendment, aluminum cans with a temperature range of "40°C ~ 68°C" are deemed to have a heat-insulating effect.

3. Whether the challenged utility model is specified

As the challenged utility model before amendments never mentions the volume of the storage space, weight of the steamed crustacean, the volume of a liquid container, and the inside temperature after 90 minutes passed, it cannot be deemed to be specified in detail to be compared to Claim 1 of the registered utility model.

Even if amendments to the challenged invention are lawful, it still cannot be deemed to be specified in detail to be compared to the claimed utility model, considering that the challenged utility model before and after amendments shows significant changes in terms of its function and effect, and the challenged utility model after amendments may or may not fall into the scope of the rights of the claimed utility model.

13. Infringement by Equivalents

Case on Cosmetic Container Capable of Discharging Cosmetic Product

(Fourth-Two Division) IP High Court Decision 2021Heo5266, decided October 12, 2022

Subject Matter	[Patent Right] Cosmetic Container
Administrative Decision	IPTAB Decision 2021Dang177, decided August 20, 2021
Category	Confirmation of the Scope of Right (Patent)
Reference Provision	Article 135 of the Patent Act
Reference Decision	Supreme Court Decisions 2012Hu1132, decided July 24, 2014; 2018Da267252, decided January 31, 2019; and 2013Da14361, decided July 24, 2014

Issue at Hand

Whether the challenged invention is considered equivalent to the invention in Claim 1 of the patented invention

Case Overview and Issues

The plaintiff sought a defensive confirmation trial for the scope of rights against the defendant (the patentee), asserting that “the challenged invention practiced by the plaintiff does not fall within the scope of rights of the defendant’s invention in Claim 1 of the patented invention.” The Korean Intellectual Property Trial and Appeal Board (hereinafter, the “IPTAB”)

dismissed the plaintiff's claim for the trial on the ground that "the challenged invention has identical or equivalent elements and the organic combination between these elements as is stated in the invention in Claim 1 of the patented invention, thereby falls within the scope of rights of the invention in Claim 1 of the patented invention."

Summary of Decision

The claim was dismissed.

Although the patented invention has more than one means of solving a problem and each of these solution principles is publicly known or said to be publicly known by different prior arts at the time of application, it is difficult to conclude that all the core technical ideas of the patented invention are publicly known unless multiple combinations of means to solve a problem are publicly known or those combinations are evident to a person having ordinary skill in the art (hereinafter, a "skilled person"). Moreover, even if some of the multiple means to solve the problem are known, the rest cannot be deemed to be publicly known, and if elements disputed for equivalency are irrelevant to publicly known means to solve the problem, there should not be further comparison on an element-by-element basis in terms of functions or roles without examining whether the means to solve the problem of both inventions are identical.

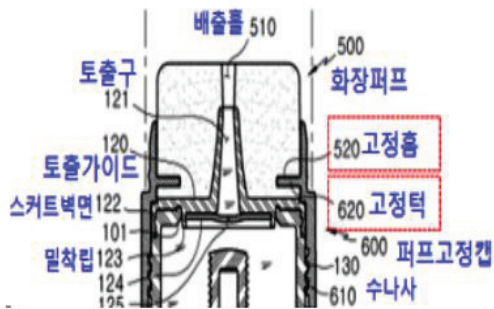
1. Whether the means to solve the problem are identical

Considering the detailed descriptions within the specifications and prior arts that existed at the time of application, the core technical idea of the invention in Claim 1 of the patented invention lies at "A. By organically assembling a rotary knob, a screw rod, and a piston so that liquid cosmetics can be discharged a little by the rotation of the rotary knob, thereby facilitating convenient use and preventing liquid cosmetics from spilling; and B. the casing body having a filling hole at the center of its' upper-end surface, and a guided discharge and a puff-fixing cap

adapted to be easily assembled and removed so as to simplify filling of liquid cosmetics, the production, and the replacement of puffs.” Since it is difficult to deem that B was publicly known at the time of application, although A was disclosed, it can be said that the invention in Claim 1 of the patented invention solved the technical problem that the prior arts did not (or that the prior art did not recognize as a problem), at least with respect to B.

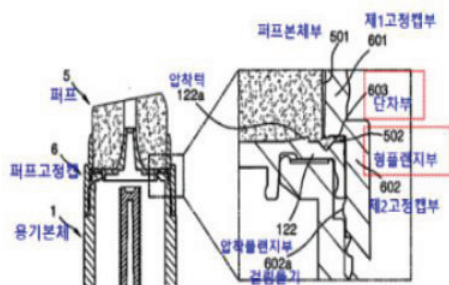
The challenged invention also discloses an arrangement in which a filling hole is formed at the center of the upper-end surface of the casing body (1) and a guided discharge (12) and a puff-fixing cap (6) are constructed to be easily engaged and removed, thereby simplifying the filling of liquid cosmetics, the production, and the replacement of puffs (5), which shows that the challenged invention embodies the same core technical idea upon which a unique means to solve the problem of the patented invention at issue is based. As a result, the challenged invention employed the same means to solve the problem as the invention in Claim 1 of the patented invention at issue.

2. Whether the effect is substantially identical



국문	영문
배출홀(510)	Dispensing hole
토출구(121)	Discharging port

화장퍼프(500)	Cosmetic puff
토출가이드(120)	Discharge guide
고정홈(520)	Fixing plug
고정턱(620)	Fixing jaw
스커트벽면(122)	Skirt wall
퍼프고정캡(600)	Puff fixing cap
밀착립(123)	Sealing lip
수나사(610)	Bolt



국문	영문
퍼프(5)	Puff
압착턱(122a)	Squeeze jaw
퍼프본체부(501)	Puff body
제1고정캡부(601)	Type 1 Fixing cap
퍼프고정캡(6)	Puff fixing cap
단차부(603)	Stepped edge

형플랜지부(502)	Form flange
용기본체(1)	The casing body
압착플랜지부(122)	Squeeze flange
제2고정캡부(602)	Type 2 Fixing cap
걸림돌기(602a)	Protrusion

The invention in Claim 1 of the patented invention and the challenged invention are similar except for Elements 6 and 7, that is, a cosmetic puff (500) [a puff (5) having a ring-shaped flange (502)] having a fixing plug (520) and a puff-fixing cap (600) [a puff-fixing cap (6) having a stepped edge] with a fixing jaw (620). Despite the above differences, the effect of each of the above elements is substantially the same, as they are constructed to easily fill liquid cosmetics through the hole at the center of the upper-end surface of the casing body, wherein a discharge guide and a cosmetic puff are stacked and firmly anchored to the body by fitting the puff-fixing cap though bolting, and to be easily removed when replacing the cosmetic puff.

3. The easiness of the arrangement change

Since Elements 6 and 7 of the challenged invention corresponding to Claim 1 of the patented invention have merely exchanged the fixed plug (plug) of the puff with the plug and protrusion arrangement of the fixed jaw (protrusion) of the puff-fixing cap, and substituted them with a ring-shaped flange (protrusion) of the puff and a stepped edge (plug) of the puff-fixing cap. Therefore, a skilled person may easily change the fixed plug around the outer circumference of the puff to a ring-shaped flange extending from the outer circumference without much technical effort, and the fixed jaw of the puff-fixing cap with a stepped edge that puts pressure on the ring-shaped flange.

4. Conclusion

Therefore, the challenged invention is within the scope of rights of the invention in Claim 1 of the patented invention as it consists of the same or equal elements as the invention in Claim 1 of the patented invention and the organic arrangement between the elements thereof.

Case on Optima Consulting Contract

(Twenty-fourth-One Division) IP High Court Decision 2022Na1111, decided March 15,

2023

Category	Damages (Construction)
Reference Decision	Supreme Court Decision 2000Da48265, decided February 26, 2002

Issue at Hand

Whether the defendant's product constitutes an improved product subject to technical consulting fees (Negative)

Case Overview and Issues

1. The plaintiff, a doctor specializing in orthopedics, entered into a consulting agreement with respect to the Optima Spinal Fixation System, a product developed by the plaintiff, with the defendant engaged in producing and selling this medical device. The plaintiff filed the first lawsuit against the defendant seeking payment of consulting fees, etc., under the consulting agreement and the court affirmed the plaintiff's claim in part. During the appellate proceedings, the plaintiff and the defendant reached a mediation settlement agreement, in which the defendant agreed to pay the plaintiff technical consulting fees equivalent to 2.0% of the sales revenue of the Optima devices and its improved products (hereinafter, the "subject products") from the year 2009 onwards.

2. The defendant produced and sold the PERFIX product from around 2009 to 2012, followed by the production and selling of the ANAX and LED products since 2014. The defendant has

supplied the OSSEA's group of products to Brazilian Company A as well as the LDR group of products to French Company B since around 2009. The plaintiff filed the second lawsuit against the defendant, seeking payment for consulting fees, etc., regarding the PERFIX product. The plaintiff's claim was affirmed in part on the ground that the PERFIX product adopts the "insertion similar to that of the Optima product; a flange with a larger outer diameter than the inner diameter of the screw body formed at the upper end of the cap, causing plastic deformation when coupled to an end of the thread portion so that it is inserted into the cap." In this lawsuit, the plaintiff claimed that the ANAX product, LED product, OSSEA's group of products, and LDR's group of products all fall under the "improved products" of the Optima product as with the case of the PERFIX product. The plaintiff sought payment for unpaid consulting fees from 2014 to 2019 related to these products.

First-instance Decision

Seoul Central District Court Decision 2019Gahap513063, decided January 28, 2022

The court affirmed the plaintiff's claim in part, ruling that the defendant's ANAX product falls under the improved products of the Optima product developed by the plaintiff and thus the defendant is obligated to pay consulting fees to the plaintiff for the sales revenue related to the ANAX product (Both parties appealed).

Summary of Decision

The first instance decision was revoked. The plaintiff's claim was dismissed (the defendant's appeal was affirmed.)

1. The improved product included in the scope of subject items that the plaintiff and the defendant agreed to at the time of signing the mediation settlement agreement shall be

interpreted as the scope of “products having at least some of its part presenting the technical features that have been improved compared to the publicly known arts concerning the technical descriptions in the patent at issue.”

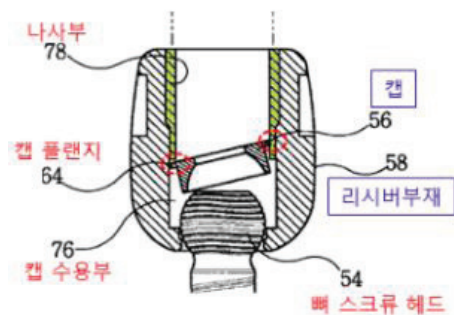
2. According to the specifications, the patented invention at issue aims to solve the problems of prior arts relating to bone securing devices for weak securement and the difficulty in assembling the device so that it attempts to increase the securement of bone screws preventing the movement, enabling the device to be easily assembled, and preventing the cap from dislocation. The aforementioned technological feature is construed to how to insert the cap; insertion with a flange with a larger outer diameter than the inner diameter of the screw body formed at the upper end of the cap, causing plastic deformation when coupled to an end of the thread portion so that it is received into the cap’s receiving portion.

3. However, in the ANAX product, the technical configuration has changed so that the outer diameter of the cap’s flange is smaller than the inner diameter of the screw body and the flange of the cap passes through to the stepped edge and then inserted into the stepped edge without contacting the thread portion. This change to an individual technological feature even affects the organic arrangement of technical configurations wherein the cap flange undergoes the plastic deformation coupled with the end portion of the thread portion so that the technical features change—the cap flange is inserted into the stepped edge by passing through all the way to stepped edge without contacting the thread portion. As such, it is difficult to deem that the technological features of this patented invention are applied to the ANAX product without change, following the all-elements rule.

4. The core technical idea of the patented invention at issue is to realize the insertion and

locking mechanism of the ANAX product within the organic combination relations of the entire invention. In other words, considering that the technical feature of a flange with a larger outer diameter than the inner diameter of the screw body of the receiver member formed at the upper end of the cap, causing plastic deformation from the defect when coupled to an end of the thread portion, cannot be found in the ANAX product, it is difficult to conclude that the aforementioned technical features regarding cap insertion methods of the patented invention at issue are equally applied.

5. Hence, the ANAX product does not fall under the scope of the improved product for which the defendant shall pay technical consulting fees according to the mediation settlement agreement at issue because the ANAX product cannot be deemed to be the product entirely or partially presenting the technical features wherein the technological description of the patent at issue was improved compared to the publicly known arts.



국문	영문
나사부(78)	Tread portion
캡(56)	Cap

캡 플랜지(64)	Cap flange
리시버부재(58)	Receiver member
캡 수용부(76)	Receiving portion
뼈 스크류 헤드(54)	Bone screw head

Case on CDK4/6 Inhibitors

(Second Division) IP High Court Decision 2022Heo6228, decided June 2, 2023

Subject Matter	[Patent Right]
Administrative Decision	IPTAB Decision 2022Dang603, decided November 30, 2022
Category	Confirmation of the Scope of Right (Patent)
Reference Provision	Article 135(1) of the Patent Act
Reference Decision	Supreme Court Decisions 2013Da14361, decided July 24, 2014, and 2016Ma5698, decided January 31, 2019

Issue at Hand

A case that held that the challenged invention is not equivalent to the invention in Claims 1 and 2 at issue regarding the means to solve the problem and its effect

Case Overview and Issues

The plaintiff filed a defensive confirmation trial for the scope of the rights against the defendant, claiming that “the challenged invention does not fall within the scope of the rights of the invention in Claims 1 to 4 and Claim 8 of the patented invention at issue.” The Korean Intellectual Property Trial and Appeal Board (hereinafter, the “IPTAB”) rejected the plaintiff’s petition for trial, stating that “although the challenged invention does not literally fall within the scope of the rights of the invention in Claims 1 to 4 and Claim 8 of the patented invention, it possesses a composition equivalent to that of the invention in Claims 1 to 4 and Claim 18,

thereby falling within the scope of the right.”

Summary of Decision

The administrative decision was revoked.

1. Whether the challenged invention falls within the scope of rights of the invention in Claims 1 and 2 of the patents.

- A. Commonalities and differences

Elements 1 and 3 of the invention in Claims 1 and 2 at issue pertain to a chemical compound consisting of a palbociclib-free base and limited to polymorph A by the “powder X-ray diffraction pattern.” The elements of the challenged invention also correspond to the particle polymorph A due to the same pattern of powder X-ray diffraction with that of Element 1, and a chemical compound consisting of a palbociclib-free base. As such, the challenged invention has Elements 1 and 3 of the invention in Claims 1 and 2 at issue.⁰

Element 2 of the invention in Claims 1 and 2 at issue is limited to the particle size distribution of D [4,3] within $15\mu\text{m} \pm 20\%$ to $30\mu\text{m} \pm 20\%$ (12 to $36\mu\text{m} \pm$), and D 90 within $30\mu\text{m} \pm 20\%$ to $65\mu\text{m} \pm 20\%$ (24 to $78\mu\text{m}$), respectively. Meanwhile, the corresponding element of the challenged invention has D [4,3] below $10\mu\text{m}$ and D 90 below $20\mu\text{m}$, and thus, the numerical range of the corresponding particle size distribution is different.

- B. Equivalents

- a. Whether the means to solve the problem are identical

The core technical idea of the patented invention at issue is to provide palbociclib particles with improved physicochemical properties by making a palbociclib-free base resulting from the recrystallization of palbociclib-free base obtained during the

common breaking of the base, has particle sizes of “15 $\mu\text{m} \pm 20\%$ to 30 $\mu\text{m} \pm 20\%$ for D [4,3] and 30 $\mu\text{m} \pm 20\%$ to 65 $\mu\text{m} \pm 20\%$ for D 90.” Therefore, the patented invention in Claims 1 and 2 at issue and the challenged invention do not have the same means to solve the problem as the challenged invention and the patented invention have different core technical ideas upon which they establish solutions that are unique to the problems they try to solve respectively.

b. Whether they illustrate the same effects

The patented invention at issue is to provide palbociclib polymorph A that has a specific range of particle sizes in order to improve physicochemical properties and has an effect of having reduced adhesiveness against a punch and avoiding agglomeration within a limited numerical range, allowing subsequent formulation.

2. Whether the challenged invention falls within the scope of rights of Claims 3, 4, and 8 of the patented invention

The invention in Claims 3 and 4 at issue additionally limited the features of the crystalline particle A by XRD diffraction patterns by referring to the invention in Claims 1 and 2 at issue and the invention in Claim 8 at issue pertains to pharmaceutical use invention on polymorph A particle of free base according to the invention in Claims 1 and 2, further limiting other technical features while having the same technical features in the invention in Claims 1 and 2 at issue. As examined above, unless the challenged invention is deemed to fall within the scope of rights of Claims 1 or 2 at issue, it cannot be deemed to fall within the scope of rights of Claims 3, 4, and 8 at issue as well.

Case on Mold Foam for Beam Structure

(Second Division) IP High Court Decision 2022Heo5058, decided June 16, 2023

Subject Matter	[Patent Right]
Administrative Decision	IPTAB Decision 2021Dang2538, decided August 23, 2022
Category	Confirmation of the Scope of Right (Patent)
Reference Provision	Article 135 of the Patent Act
Reference Decision	Supreme Court Decision 2018Da267252, decided January 31, 2019

Issue at Hand

A case that held that the challenged invention does not fall within the scope of rights of the invention as the challenged invention is literally different from the wordings of the corresponding elements of the patented invention at issue and also, they are not equivalent

Case Overview and Issues

The defendant filed a defensive confirmation trial for the scope of rights against the plaintiff, asserting that “the challenged invention lacks elements of the patented invention at issue, and the elements are not identical, and thus, it does not fall within the scope of rights.” And the defendant amended the challenged invention. The Korean Intellectual Property Trial and Appeal Board (hereinafter, the “IPTAB”) affirmed the defendant’s claim on the ground that “as the challenged invention lacks elements of the patented invention at issue and are not equivalent as well, it does not fall within the scope of the rights of the patented invention.”

Summary of Decision

The claim was dismissed.

1. Discussion on whether the challenged invention falls within the scope of the rights of the invention in Claim 1 at issue

A. Whether it literally falls within the scope of rights

Elements 4 and 6 of the invention in Claim 1 at issue are about a “transverse member for side plates that is inserted and fastened to Seating Groove 1 formed on Beads 1 and 2 of Side Plates 1 and 2.” The challenged invention does not illustrate an assembly part that is inserted into Seating Groove 1 formed on Beads 1 and 2 of Side Plates 1 and 2 or that directly combines Side Plates 1 and 2 but rather describes that the stirrup transverse member is combined to open stirrups, which are welded to Beads 1 and 2, respectively. This difference shows that the corresponding elements of both inventions are not literally identical, and thus, the challenged invention does not fall into the scope of rights of the invention in Claim 1 at issue.

B. Determination on equivalents

The invention in Claim 1 at issue has its core technological idea of “forming bead at a side plate on which both ends of the transverse member for side plate are fitted in order to enhance the mechanical strength of the concrete mold form of girder and to improve safety and working environment during the construction.” Meanwhile, the prior art clearly demonstrates the following technical idea: having an earth-plate in which numerous through-holes are punched at a regular interval, which is horizontally bent toward the external direction at the upper part of both side walls, and having a removable support member in a certain type to support the connection of upper edges of two walls of the frame, so as to the support members are adhered to the two walls of the frame, preventing walls from bending inward or outward and supporting the frame to maintain its normal condition all the time by making the support member relatively easily adhere to the two walls of the frame. As such, the foregoing core technical idea of the

invention in Claim 1 at issue is already publicly known, and thus, it cannot be deemed to be unique. As a result, when determining whether the effects are substantially the same between the invention in Claim 1 at issue and the challenged invention, the respective function or roles of each element from both inventions. When considering the fact that the challenged invention serves as supporting materials for both side plates in Elements 4 and 6 and cannot fully function, and its form can be changed, and also the challenged invention requires an extra process to equalize distance between side plates unlike Elements 4 and 6, while Elements 4 and 6 in the invention in Claim 1 at issue illustrate different transverse member for side plate and combination from the function and role of stirrup transverse member of the challenged invention and therefore, the effects of two inventions cannot be deemed to be the same. In conclusion, the challenged invention does not have equivalent elements to the invention in Claim 1 and thus, it does not fall within the scope of the right of the invention in Claim 1.

2. Discussion on whether the challenged invention falls within the scope of rights of the invention in Claim 3 at issue

A. Whether it literally falls within the scope of rights

Elements 4 and 5 of the invention in Claim 3 at issue pertain to “combining transverse member for side plate with Beads 1 and 2 of Side Plates 1 and 2, and having closed stirrup in the space created by the lower plate and Side Plates 1 and 2 whereas the challenged invention does not demonstrate an element that directly combines Side Plates 1 and 2 but rather describes that the stirrup transverse member is combined to open stirrups, which are welded to Beads 1 and 2, respectively. Hence, both inventions are not literally identical, and thus, the challenged invention does not fall into the scope of rights of the invention in Claim 3 at issue.

B. Determination on equivalents

The invention in Claim 1 at issue has its core technological idea of “forming bead at a side plate on which both ends of the transverse member for side plate are fitted in order to enhance

the mechanical strength of the concrete mold form of girder and to improve safety and working environment during the construction and at the same time, placing a closed stirrup to improve the internal shear strength.”

The invention in Claim 3 of this case is focused on improving the structural rigidity of a concrete beam pocket and enhancing construction safety and work environment. It involves forming beads on the side plates and coupling the ends of the side plate supporting members to these beads, simultaneously placing an enclosed strut to reinforce internal shear stress.

In order to improve the mechanical strength of the concrete mold form of the girder and to improve safety and working environment during the construction, a prior art combines fasteners at both edges of support members by constructing a bent earth-plate superolateral of two walls of monolithic mold foam. Since improving internal shear strength by arranging closed stirrup or open stirrup on the girder is a well-known and commonly used art in the field of construction, the core technical idea of the invention in Claim 3 at issue is also publicly known through prior arts.

When comparing the respective functions or roles of each element from the invention in Claim 3 at issue and the challenged invention, the invention in Claim 3 at issue also has a “transverse member for side plate” as described in the invention in Claim 1, improving mechanical strength of mold form as well as safety and working environment during the construction. However, the “stirrup transverse member” of the challenged invention cannot be deemed to be a part that plays the same role and function of “transverse member for side plate” from the patented invention at issue and also the way it combines with the side plate is not identical to that of the invention in Claim 3, the challenged invention cannot be deemed have the same effect of the invention in Claim 3. Therefore, the challenged invention does not have equivalent elements to the invention in Claim 3 and thus, it does not fall within the scope of rights of the invention in Claim 3.

14. Defense of Non-infringement

Case on Automatic Stacking Apparatus for Material Bags

(Twenty-first Division) IP High Court Decision 2022Na1210, decided April 6, 2023

Category	Claim for an Injunction against Infringement of Patent Right
Reference Provision	Article 29(2) of the Patent Act, Article 2 of the Civil Act
Reference Decision	Supreme Court Decisions (en banc) 2010Da95390, decided January 19, 2012; 2002Da60610, decided September 23, 2004; and 2016Hu366, decided November 14, 2017

Issue at Hand

A case that revoked the first-instance decision that held that the defendant's product infringed the plaintiff's patent right regarding the invention in Claim 10 and rejected the plaintiff's claim

Case Overview and Issues

The plaintiff company was a co-patentee of the invention registered under No. 1635995 on "Automatic Stacking Machine" on June 28, 2016. The plaintiff sought an injunction against the defendant and demanded the destruction of the defendant's finished products on the ground that the defendant's product infringed the patent rights of the invention in Claim 10. The plaintiff company was declared bankrupt on March 2, 2022, the day before the conclusion of the argument in the first instance decision, and a bankruptcy administrator took over the proceedings at issue.

The defendant did not dispute that the defendant's product had all the elements of the invention in Claim 10 but still argued that its product could be easily invented by combining Prior Art 1 with Prior Art 2 and 3, and thus, the novelty of the invention in Claim 10 is denied and its' product falls under a freely exploited invention. The defendant's CEO is a co-inventor and co-patentee of Prior Art 1.

First-Instance Decision

Seoul Central District Court Decision 2020Gahap529637, decided April 7, 2022

Most of the plaintiff's appeal was affirmed on the grounds that the defendant's product infringes the invention in Claim 10 (An injunction against "exporting" products that are not disclosed in Article 2(3)(iii) was denied, and the defendant appealed).

Summary of Decision

The first-instance decision was revoked in part, and the claim for the part revoked was dismissed.

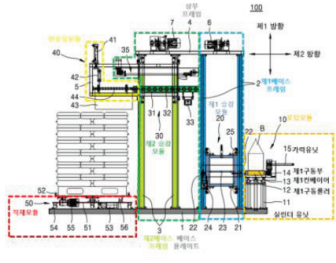
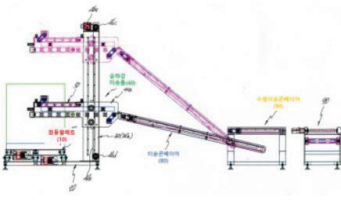
The invention in Claim 10 and Prior Art 1 both relate to an apparatus for automatically stacking rice bags and the like onto a pallet.

The invention in Claim 10 distinguishes a lift (Direction 1) and the horizontal movement (Direction 2), whereas in Prior Art 1, the vertical and horizontal components of movement are combined to form an inclined conveyor system (Element 2, Difference 1). It should be noted that Prior Art 1 does not disclose a motive for vertical movement as it already disclosed the "ascending and descending frame" for vertical movement, and Prior Art 1 has a modular configuration in which elements can be separated and recombined. The difference between Prior Art 1 and Prior Art 2 is that Prior Art 1 is an apparatus for loading bags onto a pallet,

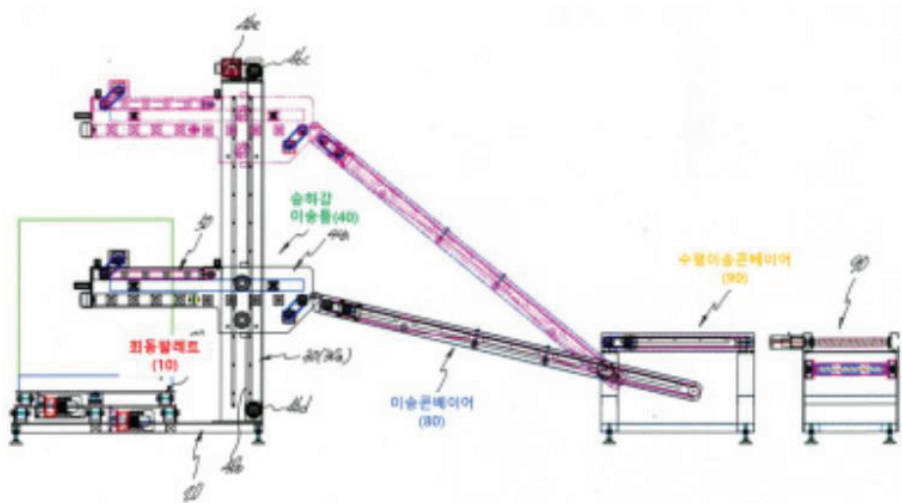
while Prior Art 2 is an apparatus for lifting a pallet upward. However, it is difficult to conclude that the structure of the conveying apparatus might significantly change depending on the object of the travel; whether it is a bag or a pallet stacked with bags. Elevators became commonly used means in Korea before the 21st century at the latest, and escalators which are a vertical and horizontal means of transportation, and elevators which are a vertical means of transportation, are alternative means of transportation to each other and are popular in our daily lives. Hence, Difference 1 can be easily overcome by combining Prior Art 1 with a lifting machine as shown in Prior Art 2.

The two inventions differ in that the invention in Claim 10 has Roller 2 with protrusions to transmit vibrations when stacked products are conveyed, while Prior Art 1 does not have a roller that transmits vibrations (Element 3-2, Difference 2). However, it cannot be said that Prior Art 1 does not disclose a motive to combine means to evenly distribute the powder inside a bag, and Prior Art 3 already disclosed a square roller to prevent the powder from being unevenly stacked. Also, it cannot be said that it is technically difficult to exclude the conveyor belt while replacing a feed bar or a free rotation bar of Prior Art 1 with a square roller, and changing the square roller of Prior Art 3 to a different type of roller like Roller 2 as disclosed in the invention in Claim 10.

It is obvious that the inventive step of the invention of Claim 10 will be denied and invalid, as a person having ordinary skill in the art can easily invent the said invention by combining Prior Art 1 with Prior Art 2 and 3, and thus the plaintiff's claim based on such patent rights constitutes an abuse of rights. The defendant's product comprising of the elements of the invention in Claim 10 is also a freely exploited invention, and therefore, does not fall within the scope of rights of the invention in Claim 10.

Elements	The Invention in Claim 10	Prior Art 1
Representative Drawing		
2	<p>The first lifting module ascending in the first direction and conveying the loaded material received from the said loading module in the second direction.</p>	<p>A conveying conveyor for transporting the loaded material (80).</p>
3-2	<p>The second roller that is positioned between the first rollers, equipped with protruding projections on its outer surface, transmitting vibrations to the loaded material as it moves in the second direction.</p>	

제2베이스 프레임	Second base frame
베이스 플레이트	Base Plate
로딩모듈	Loading module
가력유닛	Driving Unit
제1구동부	First drive unit
제1컨베이어	First conveyor
제1구동롤러	First drive roller
실린더 유닛	Cylinder unit



국문	영문
승하강 이송틀(40)	Elevator conveyor frame
회동팔레트(10)	Rotating pallet
이송콘베이어(80)	Conveyor
수평이송콘베이어(90)	Horizontal conveyor

15. Compensation for Damages

Case on Golfzon CO., LTD. V. KAKAO VX

(Twenty-fourth-One Division) IP High Court Decision 2021Na1510, decided April 12, 2023

Category	Claim for an Injunction against Infringement of Patent Right, etc.
Reference Provision	Article 128(4) of the Patent Act
Reference Decision	Supreme Court Decision 99Hu710, decided October 30, 2001

Issue at Hand

Calculation of contribution ratio

Case Overview and Issues

The plaintiff is the patentee of the invention at issue, entitled to an “apparatus for virtual golf simulation providing an amendment to reducing the rate of carry distance and method for the same.” The defendant has marketed and sold a virtual golf simulation apparatus for operating the screen golf system (hereinafter, the “product practiced by the defendant”). The plaintiff claimed an injunction against the defendant prohibiting the production of the product and destruction as well as damages, arguing that the product practiced by the defendant infringes the invention in Claim 1.

First-Instance Decision

Seoul Central District Court Decision 2016Gahap530982, decided September 27, 2019

Since the novelty and an inventive step of the invention in Claim 1 are not denied, the product

practiced by the defendant infringes the patent rights of the invention in Claim 1, and the plaintiff's claim is affirmed in part (Both parties appealed).

Summary of Decision

The first-instance decision was changed.

1. Calculation of the contribution ratio

A virtual golf simulation apparatus similar to the product practiced by the defendant has numerous hardware (camera sensors, projectors, mats, consoles, etc.) and software programs (accurate implementation of shots, realistic graphics, various golf courses, education and training related programs, etc.) as well as other intellectual property rights such as design and relevant characters provide to enhance the convenience and interest of the game (Defendant's Exhibits 42 and 59). These factors as well as the defendant's capital, sales capabilities, trademarks, and corporate credit, seem to have collectively influenced the use of the product practiced by the defendant. Therefore, there is a need to separately calculate the contribution ratio of the part related to the infringement of the invention in Claim 1 out of the defendant's interests. As such, the contribution ratio shall be calculated by comprehensively evaluating the indispensability, importance, price ratio, and quantitative ratio of the patent right in Claim 1 in this case.

① Essentiality: It is difficult to conclude that the invention in Claim 1 was an essential element for the generation and incensement of the total interests by the products practiced by the defendant.

A. Although the invention in Claim 1 of the patented invention at issue enhances the user experience by resolving one of the many inconveniences that a user of a virtual golf simulation apparatus may experience when using a hitting mat, it does not deem that the

function of the virtual golf simulation should necessarily be realized solely by the technical idea of the invention in Claim 1 of the patented invention at issue.

- B. The function of automatically adjusting mat types and terrain types is not deemed to be functionally integrated with a virtual golf simulation, and from a structural perspective, it is not impossible to produce a virtual golf simulation apparatus without practicing the patented invention in Claim 1 at issue. Therefore, it is not deemed that the function of a golf simulation apparatus cannot be materialized without utilizing the patented invention in Claim 1 at issue. This is especially true in light of the fact that the business of a virtual golf simulation apparatus was already popular in the United States and across the world at the time of the patent application at issue and that alternative prior arts were already adopted.
- C. The unique effect of the patented invention in Claim 1 at issue, as distinguished from the alternative technology, is likely to be limited to promoting a user's convenience in the very limited situation where a user of a golf simulation apparatus who is using a hitting mat, attempts to hit from an area of the mat different from the position on which the golf ball is placed in a virtual golf course and tries to "adjust a different carry distance that was predetermined."

② Importance

Although it seems that the patented invention in Claim 1 at issue partly improved some functions of a screen golf simulation apparatus, it is difficult to conclude that the patented invention in Claim 1 at issue plays an important role in the product practiced by the defendant for the following reasons.

- A. The patented invention in Claim 1 solved the problem of prior arts by adopting a function in which mat types and terrain types are reflected simultaneously when calculating the carry distance without adding additional hardware. Further, the patented invention in Claim 1

effectively improves the convenience of the users of the game and reduces the cost of hardware installment, and thus it is deemed to have been evaluated as an important technology with significance in the field of virtual golf simulation apparatus at the time when it was development and for a while.

B. However, it is difficult to conclude that the patented invention in Claim 1 at issue made a significant contribution to the sales of the product practiced by the defendant during the patent infringement period, which began around 2014, beyond the early days of the development. “Adjusting the carry distance by automatically recognizing mat conditions per shot and considering whether the mat condition matches the terrain condition” are just a few of the various technologies applied in a virtual golf simulation product.

C. On August 16, 2019, the defendant changed the method of adjusting carry distance through a software update by classifying the mat settings into “terrain-specific mat” option (only using mats that match the terrain conditions) and “fairway mat” option (using fairway mats regardless of terrain conditions) and then allowed users to manually select the option. However, even after the change, it is admitted that the number of rounds increased by 13% and the number of users increased by 14% compared to the same period of the previous year but there is no evidence that shows that the defendant reduced the price of the software or fees after the update. This shows that the patented invention in Claim 1 is not an essential or important technology that can be considered a “de facto standard” that serves as the main cause when attracting customers or motivating them to purchase as claimed by the plaintiff.

③ Calculating contribution ratio in terms of quantitative factors

The factors that may be considered in calculating the quantitative ratio of the patent right in Claim 1 at issue are as follows:

- A. As examined above, the product practiced by the defendant consists of hardware such as camera sensors, projectors, mats, PCs, and consoles, and software for communicating with the hardware, data on the terrain of a virtual golf course, graphical processing of a virtual golf screen, and a program to carry physical computation for simulation, of which the software is the core part of the patent right in Claim 1 at issue. A virtual golf simulation apparatus, however, includes many hardware devices and software technologies besides the adjustment of the carry distance contained in the patent right of Claim 1 at issue, and thus, it is deemed that many patents are practiced. However, the data that can be used to calculate the percentage of the price or market value of the software in the product practiced by the defendant was not submitted.
- B. Based on the “amount of source code” (or source code percentages) in the total software programs related to the patented invention in Claim 1 at issue, “G-swing” software accounts for 237 lines out of 756,251 lines in total, the “T-up Vision” software made up 182 lines out of 813,344 lines in total, and the “T-up Vision 2” software is identified to have 235 lines out of 741,833 lines in total, which amounts approximately 0.03% out of the total source codes.
- C. Technologies such as patents and utility model, etc., applied to the product practiced by the defendant were confirmed to be a total of 20, besides the patented invention in Claim 1, and among them, the patents that only applied to T-up Vision are 17, the patents that only applied to T-up Vision 2 is 16, and the patents that only applied to G-swing Multi is 17.
- D. Software accounted for an average of 15.7% of the sales of the products practiced by the defendant during the infringement period. $\{ = (\text{KRW } 10,546,897,531 \text{ for T-UP software} + \text{KRW } 4,146,348,342 \text{ for G-Cash}) / \text{KRW } 93,801,803,492 \text{ in equipment and software} \}$
- ④ Factors, etc., that contributed to the generation and an increase in the interests other than the patent right in Claim 1

The defendant's advertisement and promotional activities, the performance and design of the software applied to the products practiced by the defendant, and the competitiveness pricing, etc., are also deemed to have contributed to the generation and an increase in the interests, they are all factored in calculating the contribution ratio.

16. Patent Entitlement and Patent Right

Case on Facial Masks

(Twenty-fourth-Two Division) IP High Court Decision 2021Na1480 (Principal claim), 2021Na1497 (Counterclaim), decided March 15, 2023

Category Claim for Declaration of Non-existence of Obligation to Transfer Patent Rights (Principal claim), Transfer Claim for Patent Right (Counterclaim)

Reference Provision Article 33(1) of the Patent Act

Reference Decision Supreme Court Decision 2011Da67705, and 2011Da67712, decided December 27, 2012

Issue at Hand

1. Who can be recognized as an entitled inventor or creator to the patent right or the design right of the claimed invention
2. A succession of the right to obtain patents or title trust

Case Overview and Issues

1. In April 2014, the defendant received a proposal from Plaintiff B, who was running Company A, to develop cosmetics together, and began working at Company B to manufacture and deliver micro-needles. From 2015, the foregoing company produced facial masks and delivered them to Plaintiff Company A. At the end of 2015, however, the foregoing company went through financial difficulties and finally closed down around December 2016. On March 3, 2016, the defendant established Company C with the defendant's wife as the CEO, and manufactured and delivered products such as facial masks and micro-needles, etc., to Plaintiff Company A. Company C changed its name to Company D on March 14, 2017, and Company D's sales stood

at about KRW 8.7 billion in 2016 and KRW 9.9 billion in 2017. It is described that the sales to Plaintiff Company A for Company D amounted to 99% in 2016, 97% in 2017, and 90% in 2018. While doing the above business of the plaintiffs and the defendant, numerous patent rights and design rights (hereinafter, the “patent right at issue”) were registered.

2. The plaintiffs claimed for declaration of the non-existence of an obligation to transfer patent rights to the defendant that confirms that they are under no obligation to transfer and register the patent right, etc., at issue and monetary liabilities, arguing that Plaintiff B shall be deemed as an inventor of the patent right, etc., at issue, and that even if he/she cannot be deemed as an inventor, the plaintiffs themselves are the holders of the patent rights, etc., at issue since they were explicitly or implicitly transferred the right to obtain the patent, etc., from the defendant and then filed an application and completed the registration.

3. The defendant argued that the plaintiffs and the defendant entered into a “Title Trust Agreement” to register the patent right at issue, etc., in the names of the plaintiffs for the purpose of attracting investment, utilizing the patent right, etc., at issue even if the defendant is the sole inventor or creator of the patent right, etc., at issue. The defendant filed a counterclaim, arguing that he/she had terminated the aforementioned Title Trust Agreement by sending an application for changes in the cause of action and the purport of a claim for the counterclaim on November 4, 2022, and as a result, the plaintiffs are obligated to perform each of the transfer registration procedures for the patent right, etc., arising from the termination of the Title Trust Agreement.

First-Instance Decision

Seoul Central District Court Decision 2019Gahap585327 (Principal claim), and 2020Gahap554190

(Counterclaim), decided May 14, 2021

While the plaintiffs argue that they are under no obligation to transfer the patent right, etc., and to recover damages for any unjust enrichment, the defendant asserted that the registration of such rights is invalid and claims for the transfer of patent rights and unjust enrichment claims. In this regard, the plaintiffs have the benefit of acknowledgment in seeking confirmation of the non-existence of each of the obligations, and thus, the plaintiffs' principal claim is affirmed while the defendant's counterclaim is dismissed (Defendant appealed).

Summary of Decision

The appeal was dismissed. The changes and additions to the counterclaim were also dismissed.

1. The inventor of the patent right, etc., at issue

According to factual bases supported by evidence, it is reasonable to conclude that the defendant is the sole inventor of the patent, etc., at issue because it seems that he/she has newly proposed a detailed idea to solve a technical problem related to the invention as well as specific means and methods to implement the idea.

The plaintiffs argue that Plaintiff B can be deemed as an inventor because he/she had sufficient knowledge and understanding of facial mask products and the processes and had applied for several patents, including the registration of relevant patents, and he/she contributed to the patent, etc., at issue by discussing specific technologies with the defendant and sharing costs during the development, and providing the site to establish facilities and equipment to manufacture products after the patent, etc., was registered. However, their argument is insufficient to support that Plaintiff B substantially contributed to the creation of a technical idea or design beyond providing monetary support, the site, or equipment to practice the patent, and there is no evidence that shows otherwise.

2. A succession of the right to obtain the patent, etc., or Title Trust

There is no dispute between the plaintiffs and the defendant that they agreed to register the patent, etc., at issue in the plaintiffs' names. In light of the facts and circumstances supported by evidence, it is reasonable to conclude that the plaintiffs have lawfully succeeded to the right to obtain the patent right, etc., at issue from the defendant, and thus, the plaintiffs' arguments are well-grounded. On the other hand, the defendant argues that he/she titled the plaintiffs as trustees in some of the patent rights and design rights among the patents, etc., at issue. However, it is difficult to recognize such a fact based solely on the presented evidence.

Case on Bamboo Salt Melting Furnace

(Twenty-second Division) IP High Court Decision 2021Na1980, decided March 10, 2023

Category	Claim for Damages (etc.)
Reference Provision	Article 99(2)(i) of the Patent Act, Article 35, 12-3(3) of the old Subcontracting Act
Reference Decision	Supreme Court Decisions 2009Da75178, decided July 28, 2011, and 2009Hu2463, decided September 29, 2011

Issue at Hand

1. Whether the plaintiff can be deemed as the holder of the patented invention at issue (Positive)
2. Whether the “High-temperature Furnace for Bamboo Salt” that the plaintiff provided to the defendant falls under the umbrella of consignment production under the old Subcontracting Act (Negative)
3. A case that held that the plaintiff is entitled to recover benefits from the defendant enriched with the benefit from the registration of the patented invention at issue without permission

Case Overview and Issues

1. The plaintiff signed a contract with the defendant to deliver the Bamboo Salt Process Furnace and the Bamboo Salt Melting Furnace, etc., to the defendant and supplied those items to the defendant as well as drawings of the Bamboo Salt Melting Furnace. After the delivery, the plaintiff continued maintenance work of the Bamboo Salt Melting Furnace, until he/she moved to another place. The plaintiff introduced another company that can do maintenance work for

the defendant. The defendant applied and registered the patented invention at issue based on the technical content of the Bamboo Salt Melting Furnace and drawings received from the plaintiff.

2. The plaintiff claimed for transfer and registration of the patent as well as unjust enrichment payment or damages (partially claimed) of KRW 100,000,100 on the ground that the plaintiff is the rightful owner of the patented invention, which was registered by the defendant.

First-Instance Decision

Seoul Central District Court Decision 2020Gahap508579, October 15, 2021

The plaintiff's claim was affirmed in part as the defendant applied for a patent in its own name, excluding the plaintiff, who is entitled to the patented invention at issue as well, and thus, the defendant is obligated to transfer and register 1/2 shares of the patent rights of the invention at issue. The plaintiff's claim for damages was dismissed as the Court determined that there was no breach of contract, violation of Article 2(3)(a) or 2(3) (d) of the old Unfair Competition Prevention Act, or violation of Article 12-3 of the old Subcontracting Act (The plaintiff and the defendant appealed).

Summary of Decision

The First-Instance Decision is changed (including extended claims)

1. Discussion on the patent transfer and registration claim

The right holder of the patented invention is the plaintiff considering the following: (1) the technical idea of the patented invention at issue is to promote air circulation and heat exchange in the Bamboo Salt Melting Furnace to obtain a high melting temperature without the need for auxiliary fuel such as pine resin and the elements that materialize this technical idea of the

patented invention can also be found in the patents registered by the plaintiff; (2) there is no evidence that may support that the defendant had the above technical idea; and (3) considering the application history of the patented invention, the inventor of the patented invention is A, an employee of the plaintiff, and the plaintiff has been lawfully transferred the patent rights by A.

2. Discussion on monetary claims

A. Primary claim (A claim based on the violation of an old Subcontracting Act)

The defendant received the first and third drawings from the plaintiff according to the contract in this case and used them to file an application for the patented invention at issue on November 24, 2016. The action constitutes misappropriation of the plaintiff's invention, and thus, constitutes violation of an old Subcontracting Contracting Act (before amended to Act No. 14456 on December 20, 2016; the same shall apply hereinafter). The old Subcontracting Act requires the scope of goods subject to "consignment production" to be determined in accordance with the Fair Trade Commission's notification, and the notification states that if a business engages in the manufacturing of goods, the above act only applies to consignment of finished products, subject to manufacturing, etc., but expressly excludes "machinery and equipment for the production of such products" from the scope of the application. The defendant, however, is a company engaged in the production and sale of bamboo salt, and it is clear that the High-temperature Furnace for Bamboo Salt supplied by the plaintiff to the defendant pursuant to the contract entered with the defendant is the "machinery and equipment for the production of bamboo salt." Hence, the High-temperature Furnace for Bamboo Salt provided to the defendant by the plaintiff based on the contract cannot be deemed as an item subject to "consignment production" under the old Subcontracting Act.

B. Preliminary Claim (A claim of unjust enrichment)

It is deemed that the benefit arising from the patent right was conferred to the defendant

since the defendant registered the patented invention without any legitimate reason, and thus, the plaintiff, the justifiable holder of the right, has, at minimum, suffered damages equal to the royalties for the patented invention as he/she was unable to practice the patented invention directly or unable to grant a third party to practice the patent. As such, the defendant has a liability to return unjust enrichment to the plaintiff in the amount of benefit that the defendant retained during which he/she remained as the owner of the patented invention at issue.

Case on Hibernation Induction Method and Packaging Container of Fish

(Second Division) IP High Court Decision 2022Heo5584, decided May 19, 2023

Subject Matter	[Patent Right] Hibernation Induction Method and Packaging Container of Fish
Administrative Decision	IPTAB Decision 2022Dang1478, decided October 4, 2022
Category	Invalidation of Registration (Patent)
Reference Provision	Article 33(1), Article 37(1) of the Patent Act, Article 2(2) of the Invention Promotion Act
Reference Decision	Supreme Court Decisions 2011Da67705, decided December 27, 2012; 91Hu1113, decided December 27, 1991; and 2011Da67705, decided December 17, 2012

Issue at Hand

1. Whether the patented invention at issue constitutes a joint invention (Negative)
2. Whether the patented invention at issue constitutes an employee's invention (Negative)
3. Whether there was a succession of rights to obtain a patent (Positive)

Case Overview and Issues

The plaintiffs filed a petition for invalidation of registration against the defendant, arguing that “the plaintiffs are the inventors of the patented invention at issue, and the patented

invention at issue was completed before the establishment of the defendant and constitutes free inventions, and the plaintiffs have never transferred the right to obtain a patent to the defendant, which is the patentee, and thus, the patented invention at issue should be invalidated as the patent application was filed by an unentitled person, violating Article 33(1) of the Patent Act.” The Korean Intellectual Property Trial and Appeal Board (hereinafter, the “IPTAB”) dismissed the plaintiffs’ petition for trial, determining that “the patented invention at issue constitutes an employee’s invention, and the rights to the employee’s invention have been lawfully transferred to the defendant, and thus, the patented invention at issue does not fall under the application by an unentitled person.”

Summary of Decision

The claim was dismissed.

1. Whether the patented invention at issue constitutes a joint invention

After receiving a doctoral degree in animal biology from the University of Kiel in Germany, Plaintiff 1 studied marine life and marine ecosystems for more than a decade and established Company A on May 2, 2007, and conducted research and technology development related to marine life aquaculture and fish farming, and served as the head researcher of the defendant’s research institution from around November 2016 to complete the patented invention at issue. Meanwhile, Plaintiff 2 was registered as the CEO of Company A from June 9, 2009, to July 19, 2010, and was listed as a joint inventor in the Patent Gazette. However, Plaintiff 2, who is the wife of Plaintiff 1 and majored in early childhood education, was able to be listed as a joint inventor only because Plaintiff 1 provided personal information about Plaintiff 2 as a joint inventor to a licensed representative at the time when Plaintiff 1 was in charge of applying for the patent and there is no evidence that shows that Plaintiff 2 otherwise possesses specialized knowledge related to the artificial hibernation of marine organisms or substantially contributed

to the creation of the technical idea of the patented invention.

Accordingly, it appears that Plaintiff 1 came up with a new conception to solve a technical problem related to the patented invention and devised a concrete means and method to materialize the conception as well, and it is difficult to deem that Plaintiff 2 substantially contributed to the creation of a technical idea of the patented invention at issue and thus, the Plaintiff 1 is the sole inventor of the patented invention at issue.

2. Whether the patented invention at issue constitutes the employee's invention

The invention in Claim 1 has a technical feature in that the hibernation preparation time is configured to be 23 to 25 hours in order to maintain the anhydrous hibernation induction time of fish for a long time of 36 hours or more (Technical Feature 1). According to the specification of the earlier-filed patented invention, the lowest water temperature stage (S3) to induce hibernation corresponding to the preparation stage of hibernation of the patented invention at issue is maintained for 11 to 13 hours (preferably for 12 hours), which is significantly different from 23 to 25 hours of the patented invention at issue, and there is no suggestion or explanation as to Technical Feature 1. And the invention in Claim 7 has a technical feature in that Potassium superoxide and gypsum are mixed in a weight ratio of 20: 80 (Technical Feature 2) in order to eliminate the risk of ignition of the potassium superoxide, which is a solid material that adds oxygen to fish, which is necessary for fish packaging under the condition that maintains anhydrous hibernation induction time of fish for a long time of more than 36 hours. In light of the fact that there is no suggestion or explanation as to Technical Feature 2 in the specification of an earlier-filed patented invention, it is difficult to conclude that Technical Features 1 and 2 of the patented invention at issue were completed before the defendant was established, and thus it is reasonable to determine that they were completed between the date of the benefit claim and the filing date of the patented invention at issue.

3. Whether there was a succession of rights to obtain a patent

It is reasonable to conclude that the defendant lawfully succeeded to the right of the patent at issue from Plaintiff 1, the inventor of the patented invention at issue, for the following reasons; (1) Plaintiff 1 worked as the head of the research institution of the defendant and was in charge of patent applications along with the research and development of artificial hibernation induction technology for fish, and at the time when applying for the earlier-filed patented inventions and the patented invention at issue, he designated the defendant as the applicant of the inventions and asked a licensed representative to apply for the patented invention at issue as such, and as a result, several inventions were applied and named the applicant as the defendant in addition to the patented invention at issue, (2) At the time of the establishment of the defendant, the plaintiffs entered into an agreement with the defendant's representative that "1) The shares of the defendant's representative and Plaintiff 2 shall be 1:1. 2) The plaintiffs will provide technology while the CEO of the defendant will make a capital investment." In light of the fact that the defendant was established based on this partnership agreement, it is reasonable to conclude that there was a written or tacit agreement between the plaintiffs and the defendant that the right to obtain a patent for the patented invention at issue to be transferred from the plaintiffs to the defendant.

17. Licenses

Case on Licensing Treatment for Atopic Dermatitis Patent Technology

(Twenty Fourth-Two Division) IP High Court Decision 2021Na1916, decided May 31, 2023

Category	Cancellation of Registration Claim for Registration of Establishment of Exclusive License
Reference Provision	Articles 543, 546, and 550 of the Civil Act
Reference Decision	Supreme Court Decisions 94Da42020, decided February 28, 1995; 2009Da88303, decided May 24, 2012; and 2002Da41435, decided January 10, 2003

Issue at Hand

Whether the parties' licensing agreements were terminated and thereby obligation to restore to original condition was established

Case Overview and Issues

The plaintiff entered into a license agreement at issue with Defendant 2, and since then, Defendant 2's contractual status was subsequently succeeded by Company A and Defendant 1. The plaintiff argued that the aforementioned license agreement was lawfully terminated as the plaintiff provided Defendant 1 with his/her intention to terminate the license agreement on the ground of impossibility of performance, which enables the plaintiff to exercise the rights of termination set forth in this contract, and further sought the cancellation of registration for establishment of each exclusive license, requiring Defendant 1 to exercise his/her obligation to restore to original condition. Also, against Defendant 2, the plaintiff sought the registration of transfer of the 1/2 ownership of foreign patents at issue as a party to the license agreement or

as the title trustor, which constitutes the primary claim. As to the first preliminary claim, the plaintiff sought the registration of transfer based on a cause of recovery of genuine name, and as to the second preliminary claim, the plaintiff sought the same, asserting a subrogation claim.

First-Instance Decision

Seoul Central District Court Decision 2020Gahap502908, decided October, 1, 2021

The Court dismissed the plaintiff's claims in its entirety, ruling that it is difficult to deem that any of Defendant 1's obligations for the plaintiff to exercise the license agreement has occurred; and even if it has occurred, the occurrence itself is insufficient to establish that Defendant 1 has breached the agreement and that the effect of the tripartite agreement between the plaintiff and Company A, etc., could not be considered to extend to Defendant 2, who is not the party of the agreement (The plaintiff appealed).

Summary of Decision

Exchangeable amendments to the claims are affirmed in part.

1. Discussion on cancellation of registration claim for registration for establishment of each exclusive license for Defendant 1

Defendant 1, who succeeded to the license agreement at issue, has an obligation to keep developing drugs, such as conducting clinical trials; at least until the drug application is completed in Korea. However, since the said license agreement is perceived to be impossible to perform, relying on experience rules of normal social life or what is generally accepted in the course of trade, it is reasonable to conclude that the plaintiff may extinct legal effect of the said license agreement at the time when he/she terminates the contractual relationship, pursuant to the general legal principles of the Civil Act on impossibility of performance and termination

of contracts. Even if the said license agreement may be deemed performable, it can be said that the license agreement has been duly terminated because the plaintiff is entitled to a right of termination set forth in the license agreement and the plaintiff's notice of intention to terminate the said agreement based on the termination provision set forth in the agreement has been sent to the defendants.

As such, Defendant 1 is obligated to exercise cancellation of registration on the basis of the termination of the agreement for the establishment of exclusive rights of Patent Right 1 as well as Patent Right 2 at issue, to restore to original condition.

2. Discussion on claims for Defendant 2, etc.

The plaintiff has the right to seek restoration to the original condition (claim preserved) against Defendant 1 by terminating the license agreement at issue and Defendant 1 has the right to claim for the registration of transfer (subrogated claim) on the basis of the in-kind contribution contract at issue in conjunction with the 1/2 ownership of foreign patents at issue against Defendant 2. Hence, in this claim where the plaintiff subrogates Defendant 1, Defendant 2 is obligated to carry out the registration of transfer of the 1/2 ownership of foreign patents at issue on the ground of the in-kind contribution contract against Defendant 1.

18. Patent Term Extensions

Case on Galvus Tablets by Novartis

(Fourth-one Division) IP High Court Decision 2022Heo3533, decided July 5, 2023

Subject Matter	[Patent] N-substituted 2-cyanopyrrolidines
Administrative Decision	IPTAB Decision 2021Dang113 (Cancellation), decided May 2, 2022, and IPTAB Decision 2021Dang114 (Cancellation), 2021Dang115 (Consolidation), decided May 2, 2022 Invalidation of Extension of Duration (Patent)
Category	
Reference Provision	Articles 89, 91, and 134 of the old Patent Act (amended by Act No. 11117 of December 2, 2011)
Reference Decision	Supreme Court Decision 2017Hu844, decided November 29, 2017, and IP High Court Decision 2016Heo4498, decided March 16, 2017

Issue at Hand

Whether the period between the date when a certain division responsible for examining the permission for the importation of drugs requests supplementation and the actual date when the supplementary materials were submitted (hereinafter, the “supplement period”) can be presumed to be the period of delay attributable by the patentee’s conduct (hereinafter, the “attributable period of delay”) stipulated by Article 91(2) of the old Patent Act (Negative)

Case Overview and Issues

The plaintiffs claimed to invalidate the defendant's patent term extension of the importation of the drug at issue, 'GALVUS', which was granted under Article 89 of the old Patent Act. The Korean Intellectual Property Trial and Appeal Board (hereinafter, the "IPTAB") affirmed the above decision in its prior ruling, but the IP High Court revoked the decision. Later, the IPTAB dismissed the petition for a trial. In response, the plaintiffs filed an action to seek revocation of the administrative decision, arguing that the supplement period should be presumed to be the attributable period of delay.

Summary of Decision

The claim was dismissed.

1. There is no provision that provides a statutory presumption that the supplement period can be deemed to be the attributable period of delay, and there is no case in which the legal principle that the supplement period can be presumed to be the attributable period of delay is established. Further, there is no reasonable ground to determine that a de facto presumption that the supplement period can be deemed as the attributable period of delay coincides with the rule of experience.

That is, ① Ever since the Patent Act was amended in 1986 to introduce the patent term extension by permission, etc., the relevant statutes including the Patent Act, have only stipulated to subtract the period during which the patented invention could not be practiced, plus the period of delay attributable to grounds by the patentee, etc., from the extension term, and there is no provision that states that the supplement period can be presumed or deemed to be the attributable period of delay. ② The plaintiff also argues that one can infer that the Supreme Court accepts that the time spent in fulfilling supplementary requirements requested by a certain division of the Ministry of Food and Drug Safety shall not be deemed to be

attributable to the patentee, etc., in principle as an logical pre-requisites of decisions of the Supreme Court (2017Hu844, etc.), which states that even if a division of the Ministry of Food and Drug Safety, responsible for examination, requests supplementation and as a result, an examination could not be conducted until the supplementary materials are submitted, if another division of the Ministry of Food and Drug Safety undertook the relevant action as to the permission for importation and sale of the drug by that date, that period can also be deemed to be the days spent for prosecuting examination, unless there are other special circumstances, and thus, the period of delay shall not be automatically considered as the delay attributable to the grounds caused by a person who received the permission, etc. However, the above Supreme Court decision also held that the burden of argument and proof of the attributable period of delay falls on the claimant who asserts the invalidation of the patent term extension registration as its' legal principle. In light of this legal principle, the plaintiff's argument that the period of delay occurred following a request for supplementation by a certain division of the Ministry of Food and Drug Safety can be presumptively attributed to the patentee, etc., in principle, is erroneous. ③ It cannot be said that the patentee is obligated to exercise due care in applying for the item permission and its' examination at once by preparing all materials and let all examination processes be conducted simultaneously, nor can it be said that the patentee is obligated to exercise due care in submitting "all" necessary materials for examination when requesting an individual examination for its validity or safety. ④ It cannot be said that the patentee is obligated to submit documents to the extent that might exclude the possibility that the Ministry of Food and Drug Safety may request supplementation of the documents, beyond a reasonable due care required in common sense under social norms in terms of practical conditions such as examination/permission process and structure, or that the Ministry of Food and Drug Safety's request for supplementation gives rise to a new obligation to the same extent, which means that the mere fact that there is a supplementary request cannot be presumed to be

an attributable cause of the patentee, etc. ⑤ The plaintiffs assert a de facto presumption that the supplement period can be deemed as the attributable period of delay and it coincides with the idea of fairness. However, even if there are difficulties in establishing a general standard concerning the calculation of the attributable period of delay by the Korean Intellectual Property Office (hereinafter, the “KIPO”), or in arguing/proving an attributable cause of the patent holder by a claimant seeking invalidation in the case about registration extension, aside from the consideration of those facts as legislative considerations of whether or not to establish a provision to presume or deem the supplement period as the attributable period of delay, it is difficult to consider these circumstances as the grounds to derive the rule of experience applied to a de facto presumption used by this court that interprets and applies Articles 89, 91(2), and 134(1)(c) of the old Patent Act.

2. In this case, although the Ministry of Food and Drug Safety requested to supplement documents that show pharmacological effects in clinical studies and Certificate of Manufacture · Certificate of Sales before and after the commencement of Period 2, it cannot be presumed that Period 2 is deemed to be an attributable period of delay by the defendant by the mere fact that Period 2 was part of the supplement period upon the request for supplementation. Hence, the plaintiffs’ arguments regarding attributable causes by the defendant for Period 2—the attributable cause of examination request/application dismissal and another attributable cause of delay in the permission of European items—cannot be accepted.

19. Employee Invention

Case on Strategic Items Control Systems

(Twenty-first Division) IP High Court Decision 2022Na1234, decided April 13, 2023

Category	Compensation Claim for Employee's Invention
Reference Provision	Articles 10 and 15 of the Invention Promotion Act (amended by Act No. 18094 of April 20, 2021, the same shall apply hereinafter), Articles 9, 10, 16, and 17 of the old Employee's Invention Regulation (amended by Presidential Decree No. 29123 of August 28, 2018, the same shall apply hereinafter)

Issue at Hand

1. Whether the action of exercising the patent rights that became State property by the head of a government agency for the public upon the permission of the Commissioner of the Korean Intellectual Property Office (hereinafter, the "KIPO") constitutes "free disposal of the patent rights that became State property (Positive) / Whether the inventor of the patent rights that became State property is eligible for compensation on the ground of the disposal for free even in cases where the head of a government agency directly exercised the state-owned patent rights without obtaining the permission of the Commissioner of KIPO (Positive)
2. A case that dismissed the plaintiff's claim for compensation for an employee's invention on the ground that the defendant (Republic of Korea) shall not be recognized to have practiced Invention 1 registered as the state-owned patent.

Case Overview and Issues

1. The grant of Invention 1 (No. 10-0927553, Network for managing strategic items and method using the same) having the plaintiff as joint inventor was registered on November 12, 2009, and the patent right became State property on February 4, 2010.
2. While serving at the Ministry of Trade, Industry and Energy, the plaintiff, during the course of employment, invented Invention 1 as well as Inventions 2 and 3, relevant to Invention 1, which form the basis of “Yestrade,” Strategic Items Control Systems, and the defendant (Republic of Korea) succeeded to the rights to the each of the above inventions under Article 10(2) of the old Invention Promotion Act. The plaintiff claimed KRW 201 million, a portion of the compensation for the employee’s invention under Article 17(2) of the old Employee’s Invention Regulation, asserting that the defendant is practicing Inventions 1 and 3 while operating the Yestrade website, which constitutes the disposal of each of the above inventions for free.

First-Instance Decision

Seoul Central District Court Decision 2019Gahap566296, decided April, 15, 2022

The court dismissed the plaintiff’s claims in its entirety, finding that it is insufficient to confirm that Invention 1 was practiced on Yestrade, and that Inventions 2 and 3 cannot be deemed to be inventions protected under the Patent Act (The plaintiff appealed).

Summary of Decision

The appeal is dismissed / the added claim is also dismissed.

1. According to the old Invention Promotion Act, the State or a local government may succeed to the rights to an employee’s invention created by a public official and patent right, etc., of a

public official to such employee's invention, to which the State or a local government succeeds, shall be State property or public property {Article 10(2)}; the disposal and management of patent rights, etc., that become State property shall be under the jurisdiction of the Commissioner of the KIPO {Article 10(4)}; and the State or a local government shall pay just compensation, when it succeeds to rights to an employee's invention of a public official, etc. {Article 15(7)}. Under the old Employee's Invention Regulations, the director of an inventing organization must request the registration of state-owned patent rights at the time when the patent rights are succeeded to the state or when an employee's invention for which an application is underway is registered, and the Commissioner of the KIPO must register the state-owned patent rights in the name of the State {Articles 9(1) and 9(2)}. In principle, the disposal of state-owned patent rights shall be granted a non-exclusive license {Article 10(1)} with royalty but in cases where the head of a government agency including the director of an inventing organization intends to exercise the state-owned patent rights directly with the permission of the Commissioner of the KIPO for a public purpose, the disposal of the state-owned patent rights can be made for free {Article 10(2)(2)}. The head of a government agency shall submit an application for approval to the Commissioner of the KIPO to obtain approval for disposing of the state-owned patent rights for free {Article 10(3)}. If a state-owned patent was disposed of for free, the Commissioner of the KIPO shall pay compensation to the inventor amounting to 50/100 of the benefit that comes from the disposal to be expected to be received if a state-owned patent charged royalty {Article 17(2)}.

According to these laws, compensation for an employee's invention, disposal, and management of state-owned patent rights belong to the job of the Commissioner of the KIPO, and the act of the head of a government agency to directly practice state-owned patent rights for a public purpose constitutes the "disposal of state-owned patent rights without compensation" under the approval of the Commissioner of the KIPO to practice of patents for

free. In this context, the purpose of Article 10(3) of the old Employee's Inventions Regulations, which requires the head of a government agency to obtain the approval of the Commissioner of the KIPO, is just to enable the Commissioner of the KIPO, who is in charge of the disposal and management of state-owned patent rights and compensation for employee's inventions on behalf of the patentee (the State), to examine whether the state-owned patent rights have been exercised and to perform related tasks such as compensation payments. Even if the head of a government agency directly practices the state-owned patent without the approval of the Commissioner of the KIPO, his/her action of disposal of the state-owned patent shall be interpreted to be valid considering the purport of the law is to protect the inventor, and thus, it is reasonable to determine that the inventor of a state-owned patent is subject to the compensation upon the disposal of the patent for free.

2. In this case, the issue is whether the defendant can be considered to have directly exercised Inventions 1-3 on the Yestrade system.

3. Regarding whether Invention 1 was practiced, the defendant is not deemed to have directly practiced Invention 1 based on the following grounds:

① Among the elements of Invention 1, the “network entity” has its own database, stores the detailed information of items entered by the users in the database, and classifies whether the items are strategic goods.

② The composition of Yestrade corresponding to the above “network entity” is the “user terminal.” However, even if the evidence is taken to be considered comprehensively, it is insufficient to recognize that the “user terminal” has its own database. Although the user terminal has a memory, which is a type of storage device, the memory is not a system for storing data in a structured manner and is not shared

among multiple people, and thus it cannot be considered a database. Further, even if the evidence is considered comprehensively, the logical and physical structure of Yestrade and the history of data movement are not sufficient to establish that the user terminal distinguishes strategic items by itself (The possibility cannot be ruled out that Yestrade only transmits the data required to classify strategic items to another system and then receives the results of the judgment from that system and merely displays the results to the user).

4. Next, regarding whether the Inventions 2 and 3 were exercised;

According to the Invention Promotion Act, the term “invention” in this case, means an invention, design, or creation eligible for protection under the Patent Act, the Utility Model Act, or the Design Protection Act {Article 2(1) of the Invention Promotion Act} and the highly advanced creation of a technical idea utilizing the laws of nature pursuant to the Patent Act {Article 2(1) of the Patent Act}, and the inventions that can promote the development of technologies and contribute to industrial development be considered eligible subject for the protection in the realm of the Patent Act (Article 1 of the Patent Act).

The plaintiff argues that Inventions 2 and 3 are about the process of utilizing a strategic material management system’s information portal and authorization service, but this argument fails to specify the technical scope of Inventions 2 and 3, and thus, Inventions 2 and 3 cannot be deemed to be inventions protected by the Patent Act or the old Invention Promotion Act. Even if Inventions 2 and 3 were patent-protected inventions under the Patent Act or the old Invention Promotion Act, the mere fact alone is insufficient to establish that the plaintiff had invented Inventions 2 and 3.

5. In a first preliminary claim, the plaintiff contended that if Invention 1 was not being practiced in Yestrade, it could be construed as the defendant applied for a patent different from the plaintiff's invention. And this constitutes the case where the defendant postponed the patent application even if it had succeeded to the rights of the employee's invention from the plaintiff, the inventor. Hence, the defendant is obliged to provide the employee's invention compensation under Article 16 of the old Employee's Invention Regulation. As a second preliminary claim, the defendant added a claim that the defendant is obliged to provide the employee's invention compensation under the same article because it had succeeded to the rights to the combined invention of Inventions 1-3 from the plaintiff, the inventor, and exercised the combined invention on Yestrade, but has postponed the patent application for the combined invention. The plaintiff, however, fails to specifically argue and prove the difference between his/her "employee's invention" and Invention 1 as well as the "combined invention."

6. Accordingly, the plaintiff's primary claim and the first and second preliminary claims shall be dismissed in their entirety without merit. The first-instance decision is well-grounded.

Case on Dual Door Electric Furnaces

(Twenty-fifth-Two Division) IP High Court Decision 2021Na1664, decided August 31,

2023

Category	Compensation Claim for Employee's Invention
Reference Provision	Article 15(1) of the Invention Promotion Act
Reference Decision	Supreme Court Decision 2014Da220347, decided January 25, 2017

Issue at Hand

How to calculate compensation for an employee's invention if the employer benefits from cost reduction by practicing the employee's invention

Case Overview and Issues

1. The plaintiff completed the employee's invention of dual doors used in electric furnaces, and the defendant was accorded the invention and registered the patent and applied the dual doors to 9 electric furnaces, including Incheon plant, Pohang plant, Dangjin plant, etc.
2. The defendant considered commercializing the patented invention of dual doors by licensing it to a third party or supplying dual doors produced with the patented invention to a third party but failed to commercialize the invention.
3. The plaintiff filed a claim for compensation for an employee's invention on the basis of the cost reduction benefits that the defendant obtained and an interest in cost reduction such as yield improvement in steelmaking and reduced electricity usage by applying dual doors to the electric furnace, etc.
4. Issue: How to calculate compensation for an employee's invention if the employer benefits

from cost reduction by practicing the foregoing invention

First-Instance Decision

Seoul Central District Court Decision 2019Gahap545220, decided July 16, 2021

The claim was dismissed (The plaintiff appealed).

Summary of Decision

The first-instance decision was changed. / The plaintiff's claim was affirmed in part.

1. In a case where the defendant did not sell the product where to the employee's invention is applied to a third party but merely manufactured the product of the employee's invention and consumed it itself, it cannot be concluded that the defendant had monopolistic and exclusive benefits from the "cost reduction" thanks to the employee's invention so long as the defendant has a free non-exclusive license in an employee's invention. Even if the defendant obtained significant cost reduction benefits by applying dual doors to the electric furnace in this case, these cost reduction benefits can be viewed as benefits that the defendant would have enjoyed with its free non-exclusive license and not succeeding to the employee's invention.

2. Under these circumstances, the monopolistic and exclusive benefits that the defendant obtains from the employee's invention do not simply mean that the defendant was able to reduce costs by exercising the employee's invention, but rather that the defendant has prevented a third party competing with the defendant (hereinafter referred to as "competitors") from practicing the patented invention and has achieved excess gains by excluding competitors from the market. In other words, the benefit arising from excess gains of the defendant by reducing costs or various competitive advantages over competitors by practicing Patented Inventions 2-5, thereby increasing its market share and promoting sales may be viewed as the monopolistic

and exclusive benefits that the defendant obtains from the employee's invention. Therefore, it is difficult to accept the plaintiff's argument that the benefits of "cost reduction" constitute the "employer's profit."

3. The monopolistic and exclusive benefits that the defendant obtained by exercising the patented invention at issue may be viewed as a competitive status that the defendant enjoys in the marketplace resulting from the significant cost reduction thanks to the patented invention at issue, while its competitors are unable to gain benefits from such cost reduction. This competitive status that the defendant enjoys is similar to that of an exclusive license holder of the patented inventions at issue. In other words, if the defendant had not succeeded to the patented inventions but wanted to enjoy such a status, he/she would have to pay the patentee the amount on the basis of the exclusive royalty, the defendant, however, was able to enjoy the aforementioned status without paying the amount on the basis of the exclusive royalty by succeeding to each patented invention. Meanwhile, considering that the defendant has a free non-exclusive license to the foregoing patented inventions even if he/she had not succeeded to the patented inventions at issue, the additional costs that the defendant would have had to pay to enjoy such a status can be calculated by subtracting the non-exclusive royalty from the exclusive royalty. Therefore, the defendant is deemed to have gained cost reduction benefits equivalent to the amount gained by subtracting the non-exclusive royalty from the exclusive royalty by succeeding to the employee's inventions.

4. A case where the court ordered compensation for the employee's invention on the basis of the calculation that recognized the amount calculated by subtracting non-exclusive royalty from the exclusive royalty due to the defendant's use of the dual door as the employer's

monopolistic and exclusive benefits, taking the manufacturing cost and statistical data of dual doors into account.

Case on Employee Invention Compensation of LG Electronics
(Twenty-fourth-Two Division) IP High Court Decision 2022Na1749, decided August 30,
2023⁵

Category	Compensation for Employee Invention
Reference Provision	Article 15 of the Invention Promotion Act

Issue at Hand

Interpretation of a patent, etc., an assignment agreement, requirements to recognize compensation for other companies' practicing of the invention, the legal characteristics of a compensation claim for an employee's invention and the due date of the exchange rate, the due date of delay damages to be applied to compensation for disposition

Case Overview and Issues

1. The plaintiffs, in the course of their employment with the defendant, completed their employee's inventions, and the defendant succeeded to these inventions. And the plaintiffs filed a claim seeking compensation for employee's inventions for the following reasons.
2. Compensation for disposition: A patent (including utility model) assignment agreement that the defendant entered into with a third party prescribed a reduced amount of royalty that the defendant had agreed to with the third party at the cost of the transfer of the patent (the assignment agreement at issue). The plaintiffs—employees of the defendant—sought compensation for disposition against the defendant on the basis of the assignment of the

⁵ In a similar case of compensation for an employee's invention for LG Electronics, the Twenty-fifth-Two Division of the Supreme Court held in its decision 2020Na2134 dated April 20, 2023, that regarding the compensation for the disposition, the court recognizes the transfer amount of a right prescribed in a patent assignment agreement as the price for the disposition of a patent, depending on the verifiability of the disposition document, and each of the above cases has been appealed to the Supreme Court and the appeals are underway.

employee's invention calculated by the amount equivalent to the reduced royalty stipulated in the agreement. The defendant argued that it is not obligated to pay compensation for disposition because it did not obtain any benefit by the transfer of the employee's invention as it was merely an assignment of a disused patent.

3. Compensation for other companies' practicing of the invention: The plaintiffs argue that since Company H practiced the employee's invention without authorization, the defendant is obligated to pay compensation because it gained a monopolistic and exclusive benefit, such as having a right to claim for damages for infringement of patent against Company H.

4. Regarding delay damages for compensation for disposition of the employee's invention, the plaintiffs argue that the date of assignment of the employee's invention should be established as the starting date of recovering delay damages, while the defendant content that the day after the date when the duplicate of the complaint was delivered should be thereof. The plaintiffs also assert that since compensation for an employee's invention is prescribed to be denominated in foreign currency, it should be converted into Korean won based on the exchange rate as of the conclusion of fact-finding proceedings, while the defendant argues that the exchange rate as of the signing of the assignment agreement should be applied.

First-Instance Decision

Seoul Central District Court Decision 2018Gahap586484, decided July 22, 2022

The plaintiffs' claim for compensation for disposition was affirmed in part (Both parties appealed).

Summary of Decision

The plaintiffs' appeal, the plaintiffs' claim extended at this court, and the defendant's appeal

were dismissed in its entirety.

1. Compensation for disposition (affirmed in part)

Considering the history of the series of negotiations for a reduction of royalties between the defendant and the third party, the history of the assignment agreement at issue, the value of the patents subject to the assignment, and other circumstances in a comprehensive manner, it is reasonable to interpret the assignment agreement at issue as including not only the “assignment of patent rights” but also the “an agreement to reduce royalties in conjunction with the cross-license agreement,” despite that the format of assignment agreement at issue is an assignment of patents. Therefore, the “interest equivalent to a reduction of royalties” in return for transferring the patent rights prescribed in the agreement should be viewed as including the consideration of an assignment of patent rights as well as the reduced amount of royalties actually negotiated under the cross-license agreement. Although the assignment agreement at issue mainly contains both the transfer of patent rights and the negotiation of a reduction of royalties in the cross-license agreement, it does not seem that a reduction of royalties was determined accordingly after evaluation of the technical and economic value of the patent rights was made with the transfer of patent rights as the main subject for negotiation from the beginning, as is the case with many other patent assignment agreements.

When the following findings are reviewed comprehensively—the cross-license agreement between the defendant and the third party and the aforementioned negotiation for the reduction of royalties, the amount of reduced royalties the defendant has paid, the number of family patents subject to the assignment agreement at issue and the scale of the amount equivalent to reduced royalties, the amount equivalent to reduced royalties paid on September 30, 2015, and the number of family patents subject to the assignment, the management history of the patents subject to the assignment, including the value of the employee’s invention evaluated by the defendant—it is reasonable to deem that the consideration for the disposition of the patents

subject to the transfer amounts to 20% of the amount of reduced royalties stipulated in the assignment agreement at issue.

Since it is uncertain on what basis the remaining value of the individual patents is calculated and written in the books streamlined by the defendant, it is difficult to deem that the written price per patent transferred serves as objective data showing the value of the employee's invention at issue. However, in light of the fact that the defendant audited its accounts with the help of an external auditor on a regular basis and that the defendant has been accounting for intangible assets such as patents by calculating their values, the defendant's books (Defendant's Exhibit No.32) can be considered as materials showing the predominance or relative proportions of values among the patents that are the subject of the transfer and thus values written in the aforementioned book may serve as a basis for determining the proportions of the consideration on a per patent in return of its disposition among the patents transferred according to the assignment agreement at issue.

2. Compensation for other companies' practicing of the invention (dismissed)

Since damages from torts are limited to actual damages in practice, if a victim incurs liability due to torts committed by the perpetrator, in order for the victim to seek damages equivalent to liabilities from the perpetrator, the amount of damages shall be actual and definite so as to the perpetrator can bear the burden of liability in practice, and whether damages have actually occurred should be determined objectively and reasonably based on the common sense of society (See the Supreme Court's decision 2017Da278446 dated October 15, 2020). As the above legal principle of the recognition of liability can be applied to the recognition of an interest based on an acquisition of a claim by inference, in order to claim compensation for an employee's invention on the ground that the right to claim damages can be deemed to be monopolistic and exclusive benefits obtained by the employer arising from a third party's torts

(practicing the applied invention despite the warning stipulated in Article 65(1) of the Patent Act and the knowledge that the invention was publicly disclosed), the acquisition (or occurrence) of the right to claim damages must be actual and definite to the extent that it enables the victim to be compensated without any further procedure, such as filing a claim for damages against the infringer. In this case, there is no evidence that the defendant received royalties or damages for infringement of the patent rights of the employee's invention from Company H, or that the defendant is to receive royalties or damages for infringement of the patent rights of the employee's invention through a contract or an agreement, or that the defendant has actually and definitely accrued a right to claim damages for infringement of the patent rights of the employee's invention.

3. Due date of exchange rate

The compensation for an employee's invention is a non-contractual claim that arises when the requirements stated in the Invention Promotion Act are met, in order to protect economically disadvantaged employees and to promote inventions. And since a non-contractual claim is interpreted to use the currency of the country to which the laws and regulations establishing the claim belong, the compensation claim for an employee's invention is deemed to be claimed in Korean won. Hence, even if an employer gained an interest in a foreign currency as a result of an employee's invention, it does not change the nature of the compensation claim for an employee's invention, which shall be paid in Korean won, unless the employer has agreed to pay the compensation for the employee's invention in a foreign currency pursuant to the Regulations for Compensation for Employee's Invention or the agreement between the employer and the employee. Meanwhile, in view of the fact that the reasonable amount of compensation for an employee's invention is calculated, considering ex post facto benefits of the employer reflecting other factors, retrospectively in effect at the time

of succession, it is reasonable to conclude that if the employer earned interests such as royalties in a foreign currency over years and the exchange rate fluctuated during that period, the court may calculate the interest based on the Korean won in any way it deems reasonable and substantial, such as applying the average exchange rate per year of the period or the average exchange rate for the entire period (IP High Court Decision 2019Na2084, March 15, 2023). In conclusion, the court may set the amount of compensation as it deems reasonable and substantial, based on the purport of the pleadings and the results of the examination of evidence. As examined above, the compensation for an employee's invention shall be paid in Korean won, not in a foreign currency, and considering the purport of the compensation for an employee's invention system, the nature of the claim, and the method of calculating the compensation, the amount of the compensation for employee's invention calculated by applying the exchange rate as of the conclusion of the first-instance court is deemed to be fair.

4. The due date of delay damages calculation (from the day after the date of the duplicate of the complaint is delivered)

① The old Patent Act and the Invention Promotion Act do not define the time of performing the right to claim compensation for an employee's invention, and the same is true for Regulation for Compensation for Employee's Invention established by the defendant and the Rules for Deliberating Compensation for Employee's Inventions; ② The compensation for royalty profits, according to the defendant's Agreement for Compensation for Employee's Invention, it shall be paid in a case where the company gained tangible profits due to the transfer or the grant of license after succeeding to the employee's invention and register the invention in the name of the company. Also, the payment of compensation must go through a series of procedures stated in the defendant's Rules for Deliberating Compensation for Employee's Inventions; ③ As examined above, it is difficult to deem that the disposition of

the employee's invention was planned at the time when it was transferred; and ④ The right to claim for compensation for employee's invention is a non-contract right arising from the old Patent Act or the Invention Promotion Act and the cause of this non-contract right does not unlawfully deprive of an interest that the law seeks to protect, or the natural state. With all factors considered, it is reasonable to conclude that the defendant is liable for the delay under Article 387(2) of the Civil Act from the day after it receives the plaintiffs' claim to perform payment, which is the day after the date of a duplicate of the complaint at issue is delivered.

Case on DVD Patent Pool & Cross-License

(Twenty-fourth-One Division) IP High Court Decision 2019Na2084, decided March 15,

2023

Category	Compensation for Employee's Invention
Reference Provision	Articles 40(1) and 40(2) of the old Patent Act (amended by Act No.7869 of March 3, 2006)

Issue at Hand

1. Calculation of the employer's interests equivalent to royalties exempted according to the contract on balance compensation, etc., vested under the cross-license agreement, and the royalties from a patent pool.
2. The legal characteristics of a compensation claim for an employee's invention and methods for calculating the employer's interests from royalties received in foreign currency.

Summary of Decision

1. The plaintiff reported four employee's inventions at issue around 1998 while working at the defendant, relating to real-time recording/playback information. The defendant succeeded to the right to obtain patents for employee's inventions at issue and applied for patent registration per invention in Korea, having the plaintiff named as the sole inventor in the statements. After applying the domestic patent registrations for the employee's inventions at issue, the defendant registered the patented inventions at issue as a result of utilizing each of the patent applications as the basis for the claim for priority. The defendant also tried international applications for the patented inventions at issue in various countries, including the United States, and registered patents. The part of the employee's invention at issue that states "if the file stored in a recording

device is a real-time recording/playback file, the information is stored in the file type of the ICB Tag” has been adopted as Standard Essential Patent (“SEP”) by the DVD Forum, an international organization developing the worldwide basis for DVD, and the Blue-ray Disc Association (BDA), an international organization developing standards for Blu-ray Disc.

2. Starting from around the year 2003, the defendant concluded each of the cross-license agreements mainly covering a comprehensive license with foreign companies A, B, C, etc., including the patent rights held or to be held by the defendant and companies A, B, C, etc., regarding DVD and Blu-ray Discs including patented invention at issue. In addition to being exempted from royalties on a per cross-license agreement at issue, the defendant received balance compensation from foreign companies, including companies A, B, D, E, etc. The defendant joined each of the patent pools at issue, “DVD 6C,” and “One-Blue,” and received royalties starting from the year 2007 and 2012, respectively.

3. The plaintiff claimed KRW 3 billion as a portion of compensation for the employee’s invention and damages for delay; the amount calculated by considering the profits that the defendant earned or would have earned by 2019 due to the employee’s invention at issue and contribution of the inventor.

First-Instance Decision

Suwon District Court Decision 2015Gahap70764, decided November 13, 2019

The plaintiffs’ claims were affirmed in part; the court recognized the amount of Won 2,810,226,650 as compensation for the employee’s invention and delay damages by considering profits the defendant gained from the patents at issue that account for \$91,934,815 (which would be Won 111,516,930,595 at the Korean Won-dollar exchange rate as of the

conclusion of the argument of the case), the inventor's compensation rate of 3%, the 84% of contribution of the plaintiffs as co-inventors (Both parties appealed).

Summary of Decision

The first-instant decision was partially revoked (The appeal by the defendant was affirmed in part).

1. The employer's interests equivalent to royalties received from the patent pools

The royalties paid to the defendant in return for providing the patented inventions at issue to the patent pools can be viewed as the employer's interests that serve as the basis for the calculation of the compensation for the employee's invention. However, since the patent pools include a number of defendant's SEPs, including the patented invention at issue, the contribution of the employee's invention must be considered in order to define the employer's interests coming from the employee's inventions at issue. In case where there is a special circumstance, such as some of the inventions in each patent pool are classified as SEPs, an evaluation that simply calculates the portion of the patented inventions based on how many patents are included in the patent pool, cannot be considered a reasonable evaluation that properly reflects the value of the technology. Instead of data that evaluated the technical values of the patented inventions at issue or that distinguishes the patented inventions from the rest of the SEPs at the time when the defendant joined each patent pool or received royalties from each patent pool if there is a record that the defendant has managed internally, which shows royalties paid to the defendant by the patent pools and the distribution ratio on a per patented invention basis, the percentage that nears to the average value of the ratio of the "amounts distributed to the patented inventions at issue/royalties received from the patent pools" would be reasonable to be deemed as the contribution ratio of the employee's invention.

2. The employer's interests equivalent to balance compensation paid under the cross-license agreement at issue

The balance compensation paid to the defendant corresponds to royalties because it is the payment of a certain amount such as "the consideration for the license and special clauses, the consideration for additional licenses, or the balance compensation for the extended period," under the cross-license at issue. Since royalty is a profit that arises only after the employer succeeds to a patent, which is an exclusive right, from the employee, the profits from the aforementioned balance compensation fall under exclusive profits due to the employee's invention in the light of the fact that it cannot be obtained by the non-exclusive license that the employer has, unless there is a special circumstance. However, it is necessary to consider the portion of the employee's inventions at issue as well in order to define how much of the balance compensation is attributable to the employee's invention. The defendant's calculation of the amount that corresponds to the portion of the employee's invention at issue out of royalties it received after calculating the value of the inventions with its own standards seems to be fairly objectively and accurately reflected the inventions' contribution ratios at issue and thus the ratio calculated thereto are used as the contribution ratios.

3. The employer's interest equivalent to royalties exempted by per cross-license agreement at issue

A. In a case where a cross-license agreement is concluded covering all the current and future patent rights including employee's inventions, exempting each party from royalties, the employer can gain interests equivalent to royalties because it may use the patented invention of the other party without paying royalties. As such, unless there is a special circumstance, the portion of the exempted royalty due to the employee's invention under a free cross-license agreement falls under the interests of the employer, which serves as the basis for calculating

the compensation for the employee's inventions. However, it is necessary to determine whether and how much the employer gained interest (the amount) by concluding the cross-license agreement by considering the history, purpose, and details of the agreement as the cross-license, in light of the fact that the legal characteristic of the cross-license agreement is that the employer is required to provide its patents for free in return for the exemption of royalties, the exempted amount of royalties in its entirety shall not be deemed as the interests of the employer.

B. Meanwhile, "the interests expected to be vested to the employer," which serves as the basis of the calculation of the compensation for the employee's inventions, means the interests subjected to distribution between the employer and the employee. As the interests arose due to the employee's invention, it will be limited to the degree of the profits that have a substantial causal relationship with the employee's invention. This legal principle can also be applied to the calculation of the employer's interests out of the interests equivalent to royalties exempted under a comprehensive cross-license agreement, which serves as the basis for the calculation of the compensation for employee's inventions. As such, unless there is a special circumstance, the amount of the employer's interests shall be limited to the portion of the royalties exempted on a per the cross-license agreement basis, which has a substantial causal relation to the employee's invention and shall be calculated by reflecting the contribution ratio of the employee's inventions.

4. Calculation of a reasonable compensation

A. The right to claim compensation for an employee's invention is a non-contractual claim that arises at the time when the employer succeeds to the right to patents of the employee's inventions (the due date when the right to claim arises), but the compensation is calculated based on the interests that the employer can reasonably "be expected to" gain from the

employee's invention in the future as of the succession. However, it is practically impossible to estimate the amounts of such interests at the time of succession and the employer's interests due to the employee's invention do not arise until the succession is made, and thus, in order to determine a reasonable amount of compensation, ex post facto benefits of the employer must reflect the inventor's contribution ratio, etc., retrospectively calculating in effect at the time of succession. When calculating the amount of the employer's interests after the succession, it is necessary to consider not only the value of the invention at issue or a patent right itself, but also numerous factors such as the market conditions after the succession, the respective contributions of the employer and the employee, and the existence of competing products, etc. Therefore, when the court calculates a reasonable amount of compensation for an employee's invention, the amount of the employer's interests after the succession is merely considered as a basis for calculating the amount of compensation, and the court shall not be expected to follow the specific amount of the calculation.

B. The right to claim compensation for an employee's invention is a non-contractual claim and since the non-contractual claim is interpreted to use the currency of the country to which the laws and regulations establishing the claim belong, the compensation claim for an employee's invention is deemed to be claimed in Korean won according to the old Patent Act. As such, even if an employer gained an interest in a foreign currency as a result of an employee's invention, it does not change the nature of the compensation claim for the employee's invention, which shall be paid in Korean won, unless the employer has agreed to pay the compensation for the employee's invention in a foreign currency pursuant to the Regulations for Compensation for Employee's Invention or the agreement between the employer and the employee. Meanwhile, as to the royalties paid in a foreign currency to the employer, he/she may be deemed to have gained interest in Korean won equivalent to the amount calculated with the exchange rate at the time of acquisition, and the inventor (or the

employee) is expected to be vested a right to claim for compensation for the employee's invention in Korean won on the ground of such an interest of the employer. In a case where the employer is deemed to have gained interests such as royalty in a foreign currency over years and the exchange rate fluctuated during that period, it is reasonable to determine that the court may calculate the interests based on the Korean won in a way that it deems reasonable and substantial, such as applying the average exchange rate per year of the period or the average exchange rate for the entire period.

20. Patent Right and Regulations on Patent Monopoly

Case on MSP Composite Girder

(Twenty-fifth-One Division) IP High Court Decision 2021Na1398 (Principal claim),

2022Na1227 (Counterclaim), decided July 20, 2023

Category	Royalty Claim (Technology Fee)
Reference Provision	Article 133(3) of the Patent Act
Reference Decision	Supreme Court Decision 2018Da287362, decided April 25, 2019

Issue at Hand

Whether an invalidation of the registration of the patent retroactively voids a patent transfer agreement (Negative)

Case Overview and Issues

1. The plaintiff entered into an agreement with the defendant to transfer 50% of the ownership of Industrial Property, etc., including patents related to the Multi-Stages Prestressed Composite Girder (the “MSP composite girder”), one of the composite girders used for bridges, for KRW 1 billion (the agreement at issue), and transferred a 50% of ownership of 9 utility models and patents related to the MSP composite girder.
2. In its principal claim, the plaintiff filed against the defendant, seeking royalty payments on MSP composite girders. In response, the defendant filed a counterclaim attacking the validity of the agreement; some of the patents transferred upon the agreement at issue were rendered invalid and thus, some parts of the agreement at issue shall also be declared to be void and sought unjust enrichment damages measured by the imposition of royalty corresponding to the invalid part (50%) against the plaintiff, which amounts to KRW 500 million.

3. Issue: Whether an invalidation of the registration of the patent retroactively voids a patent transfer agreement

First-Instance Decision

Seoul Central District Court Decision 2019Gahap556909, decided April, 23, 2021

The royalty claim by the plaintiff was affirmed in part (The defendant appealed).

Summary of Decision

The first-instance decision was changed / the counterclaim was dismissed.

1. As to the principal claim, the amount of royalty recognized by the first-instance court was partly deducted on the basis of the defendant's claim to cancel his/her confession.

2. As to the counterclaim, although once an administrative decision to invalidate the patent registration is made, the patent right is considered void in the first place (under Article 133(3) of the Patent Act), the Court dismissed the defendant's claim for unjust enrichment damages on the ground that patent rights that may have grounds for invalidation can also be a valid subject of trading, and as the patent invalidation decision was held after a patent transfer agreement was made, this transfer agreement already established to be effective cannot be considered to be void as if the subject did not exist in the first place (as the initial impossibility); the retroactive effect of the invalidation of the patent that is legally disputed does not apply in this case.

Case on Terraced Blocks

(Twenty-fifth-Two Division) IP High Court Decision 2021Na1039, decided August 24,

2023

Category	Royalty Claim (Technology Fee, etc.)
Reference Provision	Article 103 of the Civil Act
Reference Decision	Supreme Court Decision 2022Da287383, decided February 23, 2023

Issue at Hand

Whether a patent, etc., license contract containing a Special Clause that states that no reduction of royalties even in case rights are extinguished is held invalid (Positive under certain conditions)

Case Overview and Issues

1. The plaintiff granted licenses to the defendant for the use of patents, utility models, designs, trademarks, and technical know-how related to a terraced block product in a comprehensive manner. However, as the defendant did not well pay the royalties owed while manufacturing and selling terraced blocks, the plaintiff filed a royalty (technology fee) claim based on the license contract.
2. The defendant argues that he/she is not obligated to pay royalties or that the royalties shall be reduced because the utility model, etc., which is the object of the license contract, was found invalid.
3. However, the license contract clause 18(1) at issue purports “the contract at issue will remain in effect for contract periods regardless of whether patents, design and etc., rights are acquired,

withdrawn, dismissed, or extinguished, and the defendant shall not claim a reduction in royalties on the grounds of the above reasons.”

4. Issue: Whether a patent, etc., license contract containing a Special Clause that states that no reduction of royalties even in case rights are extinguished is held invalid.

First-Instance Decision

Daegu District Court Decision 2018Gahap203887, decided December 17, 2020

The royalty (technology fee), etc., claimed by the plaintiff was affirmed in part (Both parties appealed).

Summary of Decision

The first-instance decision was changed / the royalty (technology fee), etc., claimed by the plaintiff was affirmed in part.

1. Juristic acts contrary to social order invalidated under Article 103 of the Civil Act constitute a comprehensive concept that includes (1) cases where the content of legal rights or legal obligations from juristic acts is contrary to social order, (2) cases where the content of legal rights or legal obligations turns into something contrary to public order and good morals by legally enforcing them or by adding conditions that are contrary to social order or monetary consideration to a juristic act, although the content of legal rights or legal obligations is not in itself contrary to social order, and (3) cases where the motive of a juristic act is contrary to social order, as indicated or known to the other party. In other words, if a business entity was at an advantageous position in commerce due to a difference in economic power, a party of a juristic act uses its position to possess unfair benefits and to force the other party to provide an excessive countervailing benefit or bear

an unfair burden, such a juristic act shall be invalidated in under the provision if such an act is evaluated to have a bad social implication.

However, a clause contained in the patent license contract that provides for the continuance of the contract until the contract period ends even if a patent right is extinguished due to invalidation of a patent, and the continuance of payment of royalty stipulated by the contract until the contract period ends even if a patent right extinguishes, may guarantee the patent holder to continue to receive royalties from the licensee even during the period in which the patent holder can no longer exercise the license contract due to the extinguishment of the patent rights and this may be evaluated as a clause that enables the patent holder to gain unjust benefits and that puts unfair burden on the licensee. In particular, if a patent holder uses an advantageous position in commerce to contain such a clause in the patent license contract, it may not only violate the Monopoly Regulation and Fair-Trade Act (the “Fair Trade Act”) but may also be denied its judicial effect as a juristic act contrary to public order and good morals, unless there is a reasonable cause for the inclusion of such a clause is recognized.

2. However, whether a juristic act such as a contract is invalid because its contents are contrary to public order and good morals stipulated in Article 103 of the Civil Act, should not be determined based on a uniformly abstract standard, but rather by examining the substance of the contract for a specific matter (Supreme Court Decision 2022da287383, February 23, 2023). In particular, when a license contract is concluded for multiple patented inventions, or for other intellectual property rights such as trademarks, designs, know-how, or trade secrets together with patent rights, and if some of these rights are extinguished, the royalty can be adjusted and determined within a reasonable range based on the results of negotiations between the parties; applying a uniform standard to the

reduction of royalty and extinguished rights at the cost of restricting the freedom to enter into a contract of the parties is not deemed to necessarily generate fair and reasonable results. Therefore, it should not be concluded that the contract violates the Fair Trade Act or is invalid merely relying on the ground that the patent license contract did not recognize a reduction of royalties after some rights were extinguished and resulted in the continuance of royalty payment even after some rights were extinguished, without examining the circumstances leading to such a contract in detail.

In addition, the mere fact that the patent holder has exclusive rights to the patented invention does not naturally lead to the conclusion that he/she was in an advantageous position in commerce when entering into a license contract, and it is necessary to determine whether the patent holder was at an advantageous position in commerce by reviewing the characteristics of the patent right, the objects of the license contract, and its market share, the difference in economic power between the patent holder and the licensee, the history of the license contract, and the contents of the contract, etc., in detail.

3. The issues will be reviewed on the basis of such a legal principle as follows:

Since the objects of the license contract at issue comprehensively include various intellectual property rights such as patents, designs, trademarks, utility models, and technical know-how related to the terraced block product, there is a possibility that the improved technology developed by the plaintiff in the future may be added as an object of the license contract, it would have been difficult to accurately establish the royalty rates defined in this contract in determining appropriate distribution on a per intellectual property right basis at the time when the contract at issue was signed. Moreover, the parties to the license contract at issue were mainly interested in granting the right to manufacture and sell the “terraced block product” in Korea, and the specific number or contents of individual intellectual property rights related to the terraced block product

was not a key factor in concluding the contract and calculating the technology fee rate. Because the term of duration in the contract at issue is relatively short (three years) compared to the remaining life of the objects of the license agreement, there is a chance that the parties may negotiate the technology fee rate again with extinguished rights and to what extent they should be considered in determining the rate at the time when the contract at issue is terminated and renewed. Moreover, it is also possible to terminate the license contract without renewing it, and thus, even if it may be somewhat disadvantageous to the defendant to keep paying the original technology fee rate upon some rights' extinguishment pursuant to clause 18(1) of the license contract, the period chosen by parties to be bounded does not seem to be unreasonably long.

According to the above findings, it is difficult to conclude that the clause stipulating that the contract shall be in effect for the duration of the contract regardless of the extinguishment of the intellectual property rights and prohibiting a reduction in the technology fee on this ground, shows apparent lack of rationality.

Furthermore, there is no record of how much the plaintiff's terraced blocks product that has exclusive license in Korea accounts for the markets such as concrete retaining blocks, and there is no ground that shows it is difficult to enter the concrete retaining block market without exercising the plaintiff's patent rights, and there is no document that reveals that there is an economic power gap between the plaintiff and the defendant that make it hard for the parties to negotiate equally. Therefore, it shall not be concluded that the inclusion of the above clause in the contract at issue is because the plaintiff has taken advantage of its position in commerce in an unfair manner when dealing with the defendant.

In conclusion, Clause 18 of the contract at issue does not constitute invalidation under Article 103 of the Civil Act solely on the grounds alleged by the defendant, and there is no evidence to support the defendant's claim as otherwise provided in this case.

4. Furthermore, as to whether a reduction of the royalties can be recognized under the rule of good faith or the concept of equity although Clause 18 of the contract is in effect, it should be noted that the 401 Utility Model, one of the objects of the Agreement, was extinguished during the term of the contract, a third party would still be unable to exercise the technology within the scope of protection of the 401 Utility Model due to the exclusive and monopolistic effect of the 449 Patent that covers the entire technical scope of the 401 Utility Model. In conclusion, the defendant's claim for reduction of royalties is without merit, given that there is substantially little difference in contents of the non-exclusive license that the plaintiff grants to the defendant under the contract at issue and thus it is difficult to deem that the plaintiff's claim for the same amount of royalties to be paid in accordance with the contract at issue violates the rule of good faith.

III. Design Protection Act

01. Creation of Design

Case on Packaging Box for Facial Masks

(Third Division) IP High Court Decision 2022Heo1780, decided November 24, 2023

Subject Matter	[Design Right] Packaging Box for Facial Masks
Administrative Decision	IPTAB Decision 2020Dang774, decided January 25, 2022
Category	Invalidation of Registration (Design)
Reference Provision	Article 3 of the Design Protection Act
Reference Decision	Supreme Court Decision 2009Da75178, decided July 28, 2011

Issue at Hand

1. To carry the burden of proof, the claimant of invalidity of the design registration should prove that the person who applied for and obtained registration of a design is not the creator of the design or its successor, or that the design was applied without verification of joint applicants.
2. A case that identified the creator based on the creation process of the registered design and the release of a product reflecting the said design, and determined whether the design belongs to the job design of the planning team or the sales team of the product.

Case Overview and Issues

The defendant registered a design of a packaging box for facial masks (Application Date/Registration Date/Registration Number: February 7, 2019/December 9, 2019/No. 1036817). The plaintiff filed a petition for invalidation of the registered design on March 10, 2020, arguing that “the registered design at issue is the plaintiff’s job design created by the

plaintiff's employee, and the defendant is not the person who is entitled to the right to obtain a design registration from the creator and thus the registered design at issue was applied for and registered by the defendant, who is an unentitled person, and therefore violates Article 3(1) of the Design Protection Act.” On January 26, 2022, the Korean Intellectual Property Trial and Appeal Board (hereinafter, the “IPTAB”) dismissed the plaintiff's petition for trial on the ground that “the registered design at issue was created by Mr. Noh, an employee of the defendant, in connection with his duties, and was applied for and registered by the defendant who lawfully succeeded to the said design.

Summary of Decision

The plaintiff's claim was dismissed.

■ The creator of the register design at issue

For the following reasons, the registered design appears to have been created solely by Mr. Noh, and the evidence submitted by the plaintiff is insufficient to establish that Mx. Kim, an employee of the plaintiff, created the registered design alone or substantially contributed to Mr. Noh's creative activities.

① More than eight months before the application date of the registered design (February 7, 2019), on May 28, 2018, Mr. Noh sent designs very similar to the registered design to his wife who was a member of the board of directors of the defendant, Miss Son, for her comment. ② The plaintiff fails to make a consistent claim as to the creator of the registered design at issue; asserting that Mx. Song, an employee of the plaintiff, was the creator of the registered design during the invalidation proceedings, and then declared that the creator was Mx. Kim during the litigation at issue. ③ Before launching the products applied with the registered design at issue, the plaintiff released the relevant products at issue. Considering Mx. Kim and Mr. Noh's

respective roles, jobs, and way of work, Mr. Noh is deemed to have been responsible for determining the direction of concepts and designs of the plaintiff's products and came up with the essential parts or dominant features that influenced the overall aesthetics of the designs and presented detailed ideas to materialize the conception. Meanwhile, Mx. Kim is deemed to have carried out the work necessary for drawings by accurately practicing Mr. Noh's specific instructions. ④ Mr. Noh had been involved in the planning, development, and packaging of the defendant's products before the establishment of the plaintiff and his product designs have achieved successful results at in-home shopping channels, etc.

■ Whether the registered design inures to the plaintiff

○ The plaintiff argues that the registered design at issue is the plaintiff's job design because Mr. Noh's creation of the design belongs to the plaintiff's work, and therefore the defendant is not a legitimate successor to the registered design at issue.

However, ① The defendant and Company A entered into a joint venture agreement stating that "the period from the establishment of the plaintiff until the internal reserves reach KRW 300 million shall be defined as the period of nurturing the plaintiff, and during this nurturing period, the defendant shall develop products at the defendant's expense by utilizing the brand A, and while planning and when contracting with a distribution channel, the defendant shall proceed after consulting with the plaintiff." Accordingly, the plaintiff was established on April 22, 2016, and its internal reserves never exceeded KRW 300 million until the date of application of the registered design at issue. On July 6, 2016, the plaintiff and the defendant entered into the consignment agreement on production and sales prescribing that "the plaintiff grants the defendant the right to the entire production process of all A effect products including the products planning, purchasing and managing of subsidiary materials for products, etc." ③ The

defendant proceeded the planning, development, design and production of the products at issue, either directly or by ordering subcontractors, and the expenses incurred in the process were paid by the defendant, and the plaintiff received the products at issue, which were planned, developed, designed and produced by the defendant, and paid the price to the defendant. Considering all the circumstances, it is reasonable to conclude that the planning of the product at issue falls under the work of the defendant while the creation of the design falls under the work of the defendant because the registered design at issue is a design for packaging of the products at issue, which is the planning job. As a result, the registered design at issue does not fall under the plaintiff's job design, and thus, it cannot be said that the right to obtain the design registration of the design at issue was succeeded to the plaintiff.

Case on Retrial of So-tteok So-tteok

(Second Division) IP High Court Decision 2022JaeHeo1001, decided April 14, 2023

Subject Matter	[Design Right] Tteok Skewers
Retrial Decision	IP High Court Decision 2020Heo5351, decided July 15, 2021
Category	Invalidation of Registration (Design)
Reference Provision	Article 451(1)(vii) of the Civil Procedure Act
Reference Decision	Supreme Court Decisions 97Da42922, decided December 26, 1997; 2009Da75178, decided July 28, 2011; and 2019Hu11268 decided November 17, 2022

Issue at Hand

A case that held that the ground for retrial stipulated in Article 451(1)(vii) of the Civil Procedure Act was not recognized unless the order of a judgment subject to retrial was affected because the decision that determined that “it is difficult to recognize that B is the creator or at least a co-creator of the registered design at issue” would not have changed even without Witness A’s false statement

Case Overview and Issues

The defendants argued that “the registered design at issue violates Article 3(1) of the Design Protection Act because it was created by B from the defendant company but was applied and registered by the plaintiffs who are unentitled persons; ② the registered design at issue violates

Article 39 of the Design Protection Act because B was not included as applicants even though he/she was a co-creator at least; and ③ the registered design at issue violates Articles 33(1) and 33(2) of the Design Protection Act, as the novelty of the registered design at issue is denied since it is identical to Comparable Design 1, which was publicly known before the application of the registered design at issue, or the registered design at issue is easily creatable from Comparable Design 2, which was publicly known before the application of the design. Therefore, the registration is invalid,” and they claimed against the plaintiffs to invalidate the registration of the registered design at issue. The Korean Intellectual Property Trial and Appeal Board (hereinafter, the “IPTAB”) affirmed the plaintiff’s claim to invalidate the registration on the ground that “the registered design at issue falls under the design that is easily creatable from Comparable Design 2 and thus, the registration of the design shall be invalidation under Article 33(2) of the Design Protection Act.” In response, the plaintiffs filed a petition seeking to cancel the aforementioned decision (IP High Court Decision 2020Heo5351) and the IP High Court ruled that the administrative decision at issue shall be canceled and ordered a judgment subject to retrial on the ground that “① the defendants’ argument that there was an application by unentitled persons or a violation of joint application regulation on the assumption that B is the creator or co-creator of the registered design at issue, are both unacceptable. ② Prior Design 1 cannot be used as a basis for determining whether the novelty of the registered design is denied under Article 33(1) of the Design Protection Act because it does not fall under a design that has been publicly known or publicly practiced design at home or abroad prior to the application of the registered design under the body of Articles 36(1) and 36(2) of the Design Protection Act. ③ The defendants’ argument that the registered design at issue should be invalidated under Article 33(2) of the Design Protection is unacceptable because it is difficult to deem that the registered design at issue can be easily created from Prior Design 2 by an ordinary designer.” The defendant appealed against the decision (Supreme Court Decision

2019Hu10756) but the court ceased to hearing and the final judgment subject to retrial became conclusive on November 26, 2021.

Meanwhile, A was punished with a fine of KRW 5,000,000 on the charge that he/she had conducted a false statement as a witness at the court of a retrial as a summary judgment and that summary judgment became final. In response, the defendants filed the lawsuit, arguing that A's false statement affected the order of the judgment subject to retrial, and thus, the ground for retrial prescribed in Article 451(1)(vii) of the Civil Procedure Act is recognized.

Summary of Decision

The defendants' claim was dismissed.

Among Witness A's testimony, as to "how" he/she came to know the fact that he/she had testified was recognized as a false statement and therefore, this testimony is not true, but other than that, A's testimony about the creation of the registered design at issue is supported by other evidence and suits to the facts. Further, even if Witness A's testimony is excluded, there is no evidence that B created the registered design at issue other than the fact that the defendant company had previously produced items such as sausages wrapped in rice cakes ("Vien Tteok," "Hakko-hokko Tteok Hamba," etc.). Rather, it appears that Plaintiff C commissioned the defendant company to produce items on which the registered design at issue was practiced, giving very specific instructions on the shape, and requested to produce samples. And B and D are deemed to have merely produced the products themselves following the instructions, and thus, it is difficult to deem that they are the designers or co-designers of the registered design at issue because it cannot be said that B or D presented, added to, or supplemented a detailed idea regarding the overall aesthetics of the design, reduced the conception to practice, provided specific design elements, or contributed to the completion of the registered design at issue by presenting a specific piece of advice or guidelines.

Therefore, it cannot be said that the determination that “it is difficult to recognize that B is the creator or at least a co-creator of the registered design at issue” would have changed even without the false statement by Witness A. In other words, whether to recognize Witness A’s false statement as a probable cause for changing the order of the judgment subject to retrial, the probable cause is determined to be lacking.

02. Publication of Prior Design

Case on Fixation Device for the Treatment of High Tibial Osteotomy

(Fifth-One Division) IP High Court Decision 2022Heo5140, decided August 24, 2023

Subject Matter	[Design Right] Fixation Device for the Treatment of Opening Wedge High Tibial Osteotomy
Administrative Decision	IPTAB Decision 2020Dang3923, decided September 5, 2022
Category	Invalidation of Registration (Design)
Reference Provision	Article 5(1)(i) of the old Design Protection Act
Reference Decision	Supreme Court Decision 2011Hu4011, decided April 26, 2012

Issue at Hand

1. Whether an assignor's claim for invalidation of the registered design at issue is unlawful as it violates the doctrine of assignor estoppel (Negative)
2. Whether the design described in the Medical Device Approval is publicly known (Negative under certain conditions)

Case Overview and Issues

The plaintiff and the defendant applied for and registered the design at issue together, after which the plaintiff transferred all of its shares to the defendant, leaving the defendant the sole owner of the registered design at issue. However, the plaintiff filed an action with the Korean Intellectual Property Trial and Appeal Board (hereinafter, the "IPTAB") to invalidate design registration, arguing that "the registered design at issue is invalid because it can be easily

created by an ordinary designer from a publicly known design,” and IPTAB dismissed the plaintiff’s claim. The plaintiff filed an appeal against the above decision, seeking cancellation.

In response, the defendant filed a preliminary objection, asserting that the plaintiff’s claim for invalidation of the registered design at issue to become a free-rider on the registered design at issue, which he/she himself/herself assigned to the defendant, violates the principle of good faith and the doctrine of assignor estoppel, and therefore the petition for trial and an appeal in this case are unlawful.

The issues in this case are (1) whether an assignor’s claim for invalidation of the registered design at issue is unlawful as it violates the doctrine of assignor estoppel, and (2) whether the design described in the Medical Device Approval is publicly known.

Summary of Decision

The plaintiff’s claim is dismissed.

1. Discussion on a preliminary objection

The body of Article 68(1) of the old Design Protection Act provides that “an interested party or examiner may file a petition for trial to seek invalidation of a design on any of the following grounds.” An interested party in this context refers to a person who has a direct and practical interest regarding the extinguishment of the registered design right because he/she has suffered or is likely to suffer any legal disadvantage as a result of the existence of the registered design right. This includes a person who manufactures, sells, or intends to manufacture or sell goods of the same kind as the registered design (See Supreme Court Decisions 98Hu1358, decided October 24, 2000, and 2017Hu2819, decided February 21, 2019 (en banc), etc.).

Based on this legal principle, it cannot be concluded that, under no special circumstances, the assignee of a registered design has no interest in seeking invalidation, nor can it be concluded that the invalidation claim at issue violates the principle of good faith and assignor

estoppel. The doctrine of good faith or estoppel that the defendant argues applies when a person acts in contradiction to his/her earlier action and imposing the later action with the same legal effect as the earlier action would improperly destroy the trust of another person due to an earlier action. This requires the existence of objectively contradictory earlier and later actions that can be held liable, and that another person's reliance on the earlier action is worthy of protection (See IP High Court Decision 2005Heo5631 dated October 13, 2005). As no document showing the transfer of the registered design and the specific terms of the transfer was submitted as evidence, it is insufficient to recognize that the plaintiff has expressed his/her intention not to file an invalidation claim against the assignee of the registered design merely because of the fact that the plaintiff is the assignor of the registered design, and there is no evidence to prove otherwise.

Accordingly, the preliminary objection is without merit, which assumes that the petition for a trial violates the doctrines of good faith and estoppel.

2. Whether Prior Design 1 was publicly known prior to the application of the registered design at issue

A. Relevant legal principles

“Publicly known design” stipulated in Article 5(1)(i) of the old Design Protection Act means a design that is not necessarily recognized by an unspecified number of people but is recognizable by an unspecified number of people, and “publicly known design” refers to a design that is used through a method such as a transfer while there are no restrictions to the content of the design under a confidential agreement, and is carried out in a state that is recognizable by an unspecified number of people (See Supreme Court Decisions 2002Hu2969, decided December 23, 2004, and 2011Hu4011, decided April 26, 2012). Meanwhile, the argument that the design is publicly known or practiced as stated in Article 5(1)(i) of the old

Design Protection Act shall be proven by a person who claims that the design registration is invalid while the existence of any confidentiality obligation must be argued and proved by the design right holder who denies that the design has been publicly known or practiced (See IP High Court Decision 2019Heo3823, decided December 13, 2019).

B. Determination in detail

(1) Although the Ministry of Food and Drug Safety discloses specific license information of approved medical devices on its “Medical Device Authorization” website (hereinafter referred to as the “website at issue”), the website at issue discloses specific license information of medical devices approved after August 31, 2012, and thus, the license at issue, which was first approved on November 23, 2009, and is based on this license, is not information that is available to the public through the website at issue, and there is no evidence that Prior design 1 in the license at issue was disclosed to the public through the website at issue.

(2) The proviso of Article 9(1) and the main sentence of Article 7 of the Official Information Disclosure Act (hereinafter referred to as “Information Disclosure Act”) stipulates that information pertaining to management and trade secrets of corporations, which, if disclosed, is likely to seriously undermine the legitimate interests of the corporations shall be excluded. Also, the second sentence of paragraph 1 of Article 9 of the Information Disclosure Regulation (Instruction number 21 of the Ministry of Food and Drug Safety, effective as of April 5, 2013) stipulates specific criteria of the Ministry of Food and Drug Safety pursuant to Article 9(1) of the Information Disclosure Act as follows: Information that is classified as confidential information or information subject to non-disclosure that falls under Article 9(1)(vii) of the Information Disclosure Act shall be production technology or business information held by a corporation that is submitted for the approval of medical device. Meanwhile, Article 11(3) of the Information Disclosure Regulation states that information to be disclosed which is requested, pertains, in whole or in part, to a third party, the public institution shall inform the

third party of the fact without delay and may, if necessary, hear his or her opinions. Article 45 of the Medical Devices Act stipulated that where a person who submits data to obtain a Medical Device Manufacturing License makes a written request for the protection of the data, the Minister of Food and Drug Safety shall not disclose the submitted data.

When considering all the above circumstances and the relevant laws, even if the public tries to figure out the contents of the license at issue by requesting the Ministry of Food and Drug Safety to disclose information, rather than by accessing the website at issue, the disclosure of the license at issue may be refused on the ground that it falls under the information subject to non-disclosure, or that the plaintiff expresses an opinion against the disclosure, it is difficult to conclude that an unspecified number of people were able to recognize Prior Design 1 contained in the license at issue based merely on the fact that a disclosure request was theoretically possible.

(3) Although it is likely that the officials of the Ministry of Food and Drug Safety in charge of the license at issue were aware of the contents of Prior Design 1 in the course of their duties, every public official shall keep the information he or she becomes aware of in the course of carrying out his or her duties (Article 60 of the State Public Officials Act) and he/she shall make sure that the details of civil petitions that he/she has learned in the course of treating civil petitions are not used for the purposes other than treating civil petitions and provide it to a third party without the consent of the one who is entitled to the information (Article 7 of the Civil Petitions Treatment Act). As such, even if the officials of the Ministry of Food and Drug Safety were aware of the contents of Prior Design 1, it is difficult to deem that Prior Design 1 was in a state where it could be recognized by an unspecified number of people.

Case on Medical Device Manufacturing License

(First Division) IP High Court Decision 2022Heo5065, decided January 19, 2023

Subject Matter	[Design Right] Medical Suture
Administrative Decision	IPTAB Decision 2022Dang533, decided August 23, 2022
Category	Invalidation of Registration (Design)
Reference Provision	Articles 33(1)(i), 33(1)(iii), and 121(1)(ii) of the Design Protection Act; Articles 6(1) and 6(2) of the Medical Devices Act; Article 5(2) of the Enforcement Rule of the Medical Devices Act; and Articles 9(1)(v) and 9(1)(vii) of the Official Information Disclosure Act
Reference Decision	Supreme Court Decision2 2002Hu2969, decided December 23, 2004 and 2007Hu425, decided July 24, 2008

Issue at Hand

1. Whether the design disclosed on the medical device manufacturing license issued by the Minister of the Ministry of Food and Drug Safety qualifies as a “design published domestically,” as stipulated in Article 33(1)(i) of the Design Protection Act (Positive)
2. A case that held that the registered design at issue shall be revoked as it is similar to the prior design disclosed on the medical device manufacturing license issued before its application

Case Overview and Issues

The plaintiff is the owner of Design Registration No. 838042, registered on January 29, 2016, for a medical suture used in cosmetic or plastic surgery. The defendant filed an administrative trial decision to invalidate the foregoing registration of the design, arguing that “the registered design at issue is similar to the HSGG type’s suture design disclosed on the medical device manufacturing license issued by the Minister of the Ministry of Food and Drug Safety on February 13, 2015 (hereinafter referred to as “the license at issue”), or is a design that ordinary designers can easily create based on prior designs.” The Korean Intellectual Property Trial and Appeal Board (hereinafter, the “IPTAB”) affirmed the defendant’s petition, on August 23, 2022, on the ground that “the foregoing registered design is similar to the prior design and its registration shall be invalidated.”

The plaintiff, in response, filed this lawsuit, asserting that “the prior design was not publicly disclosed before the application of the registered design at issue, and the similarity of the designs cannot be determined merely based on the photographs and drawings of the license in this case because the specific shape of the suturing needle can be barely identified visually only with the said materials.”

Summary of Decision

The claim was dismissed.



The term “a design publicly known in the Republic of Korea” stipulated in Article 33(1)(i) of the Design Protection Act, does not necessarily require to be recognized by an unspecified number of people but in a state where an unspecified number of people can recognize the design. The license at issue was issued according to the main sentence of Articles 6(1) and 6(2) of the Medical Devices Act, and Article 5(2) of the Enforcement Rules of the same act. It is not subject to restrictions on disclosure; anyone can access the information about a product that has

received a medical device manufacturing license on the Medical Device Authorization website (<https://emed.mfds.go.kr>) of the Ministry of Food and Drug Safety from the day after the license is issued. Even if Company A which has obtained the license at issue or the public officials who have engaged in the issuance of license procedure were imposed the confidential duty, the foregoing license was left in a situation that many non-specified people can perceive, and therefore, the prior design was publicly known before the application of the registered design at issue. The same applies to the case where even though no other company than Company A had been issued the license at issue before the application of the registered design at issue, and had not produced or sold products after obtaining the Medical Device Manufacturing License. Nor can it be said that the information disclosed on the license at issue falls under the undisclosed information under Articles 9(1)(v) or 9(1)(vii) of the Official Information Disclosure Act.

When supplementing the photographs, drawings, and description of the license at issue, by the rules of experience, the shape and appearance of the surgical suture that affects the overall aesthetics of the design can be sufficiently figured out. The subject matters of the registered design at issue and the prior design are both medical sutures made of gold that are inserted into the body through a syringe needle when conducting cosmetic procedures or plastic surgery and have identical usage and function the same. Furthermore, the registered design at issue and the prior design share commonalities in their shapes and appearances such as ① being composed of an overall slender, elongated, and cylindrical “center” and a spiral-shaped “periphery,” ② the center is a part that is inserted into the needle and has a constant diameter and extends vertically, and ③ the periphery is a part that extends from the center and wraps around the exterior of the needle and that runs downward in a spiral around the outer perimeter of the center.

Therefore, the registered design at issue and the prior design share a similar overall aesthetic because they exhibit only a subtle difference in shape and appearance or the combination thereof.

As the registered design at issue is similar to the prior design publicly known in the Republic of Korea before the application of the registered design and thus falls under Article 33(1)(iii) of the Design Protection Act, the registration should be invalidated under Article 121(1)(ii) of the Design Protection Act. In conclusion, the decision shall be upheld.

Views	Registered Design at Issue	Prior Design
Perspective View		

03. Novelty

Case on Air Freshener Container with a Shape of a Fighting Dog

(Fifth-Three Division) IP High Court Decision 2021Heo5914, decided November 3, 2022

Subject Matter	[Design Right] Vehicle Air Freshener Container
Administrative Decision	IPTAB Decision 2021Dang789, decided October 5, 2021
Category	Invalidation of Registration (Design)
Reference Provision	Article 33(1) of the Design Protection Act
Reference Decision	Supreme Court Decision 2016Hu1710, decided September 3, 2020

Issue at Hand

A case that held that the applied and registered design and the prior design are similar on the ground that they share the main creative motive and that creative motive is newly found in the prior design, etc., despite minor dissimilarities in the details between the registered design and the prior design




Case Overview and Issues

The defendant claimed to invalidate the registration of the registered design of the plaintiff, the owner of the registered design, arguing that the plaintiff's registered design falls under Article 33(1) and (2) of the Design Protection Act and the Korean Intellectual Property Trial and Appeal Board (hereinafter, the "IPTAB") granted the defendant's claim for a trial on the ground that "the plaintiff's registered design falls under Article 33(1) and (2) of the Design Protection Act." The plaintiff appealed and filed a revocation action of the administrative decision.










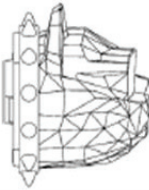


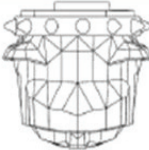


Summary of Decision

The claim was dismissed.

In determining the question of similarity of the designs in contention, a judge or an examiner is not to compare individual features that comprise the designs separately, but rather must consider whether an ordinary observer is able to identify differing aesthetic features by comparing and contrasting each design's overall appearance and if the dominant features are similar, despite some dissimilarities, they shall be perceived to be similar.

In comparing the registered design at issue “” with Prior Designs 1 “” and Prior Designs 2 “”, designs share commonalities, such as an overall impression of a “fighting dog” shape, a figure wearing “goggle sunglasses,” “a shape adorned with a leash with conical spikes,” and “the form of a polygon.” Therefore, the two designs can be deemed to share the main creative motif or theme.

Furthermore, considering the specific forms and how the designs have evolved before prior designs regarding the subject article of vehicle air fresheners used on the inside of vehicles, the aforementioned creative motif, etc., is deemed not commonly used in the field of “vehicle air fresheners,” etc., prior to the application of prior designs and newly introduced in prior designs. Hence, when comparing the overall appearance of the registered design at issue with prior designs, the dominant features of both designs are similar despite minor dissimilarities, and thus, create a similar aesthetics in an ordinary observer's mind. Therefore, the registered design at issue and prior designs are deemed to be similar and the IPTAB's decision consistent with this analysis shall be upheld.

Classification	Registered Design at Issue	Prior Design 1	Prior Design 2
Perspective View			
Front View			
Rear View			
Left-side View			
Plan View			

Case on Clear Beverage Container

(Fourth-One Division) IP High Court Decision 2022Heo3625, decided January 18, 2023

Subject Matter	[Design right] Inner Lid for Beverage Container
Administrative Decision	IPTAB Decision 2021Dang1492, decided May 10, 2022
Category	Confirmation of Scope of Rights (Design)
Reference Provision	Article 122 of the Design Protection Act
Reference Decision	Supreme Court Decisions 2003Hu762, decided August 30, 2004; 2013Da202939, decided December 26, 2013; 2010Hu265, decided May 13, 2010; 97Hu3586, decided October 8, 1999; and 2009Hu4148, decided August 26, 2010

Issue at Hand



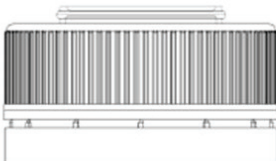

1. Comparison methods for the registered design and the challenged design
2. The Similarity between the registered design and the challenged design (Negative)

Case Overview and Issues

The plaintiffs filed a defensive trial to confirm the scope of rights against the defendant (the holder of the design right), asserting that the challenged design does not fall within the scope of rights of the registered design at issue. The Korean Intellectual Property Trial and Appeal Board (hereinafter, the “IPTAB”) dismissed the petition for trial on the ground that the challenged design is similar to the registered design at issue and thus falls within its scope of rights.

Summary of Decision

The administrative decision was revoked.

Views	Registered Design at Issue	Challenged Design
Perspective View		
Front View		

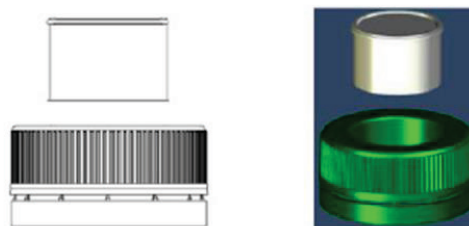
1. Comparison methods

When determining the similarity between the two designs, they shall be compared, in principle, on the basis of the Design Registration Gazette of the registered design at issue where an outer lid is not mounted on an inner lid and the description and drawings of the challenged design that the defendant has identified. However, in determining the similarity, the state in which an outer lid is mounted on an inner lid should also

Before-consumption Form of the Design at Issue



After-consumption Form of the Design at Issue



be taken into account considering that they are used and traded in a combined form. In addition, considering the functional form of the registered design at issue, the transparent part and the

opaque part are naturally expected to be separated in usage and such a change will also be considered in determining the similarity.

2. Differences in aesthetics between the registered design at issue and the challenged design

The challenged design is composed of a transparent cylindrical container of supplementary content with an open bottom that is integrated with the rest of the body parts and is made of transparent material, which not only gives a sense of freshness but also creates a three-dimensional effect so that the most of the configuration can be easily seen from multiple angles. Meanwhile, in the registered design at issue, the transparent container of supplementary content is inserted like a block into the opaque body part, giving the impression of simplicity and solidity. Due to this difference in overall aesthetics, it is difficult to deem that the registered design at issue and the challenged design are similar designs.

04. Non-creative Easiness

Case on Handheld Massagers

(Fifth-Three Division) IP High Court Decision 2022Heo3168, decided February 9, 2023

Subject Matter	[Design Right] Massagers
Administrative Decision	IPTAB Decision 2021Dang1188, decided April 14, 2022
Category	Invalidation of Registration (Design)
Reference Provision	Article 33(1) of the Design Protection Act
Reference Decision	Supreme Court Decision 2006Hu2646, decided July 24, 2008

Issue at Hand

When judging the novelty of a design or whether it is similar to a prior design, the shape of a design to be determined must be clear in its entirety, and if the essential parts of a design can be identified by supplementing lacking expressions of materials by the rule of experience, it can be subject to the comparison. However, this is a case that determined that it was impossible to identify the essential parts of the design from the referenced prior designs alone, and thus it is difficult to recognize that the registered design can be easily created by combining prior designs.

Case Overview and Issues

The plaintiff filed a petition for trial against the defendant, the owner of the registered design, claiming that the defendant's registered design falls under Article 33(1) of the Design Protection Act when considering the prior designs, and therefore, the registration should be


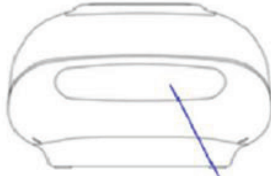



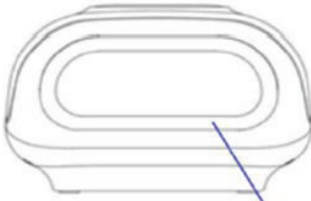


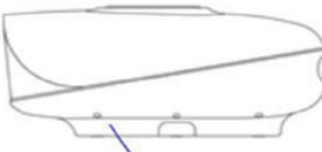

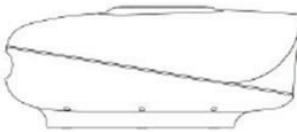
invalidated. The Korean Intellectual Property Trial and Appeal Board (hereinafter, the “IPTAB”) dismissed the plaintiff’s petition for trial, and in response, the plaintiff filed a revocation action of the administrative decision.


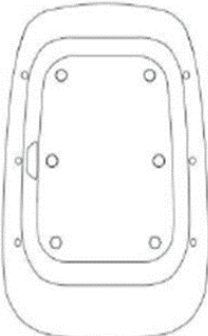
Summary of Decision

The claim was dismissed.

When judging the novelty of a design or whether it is similar to a prior design, the form of a design to be determined must be clear in its entirety, and if the essential parts of a design can be identified by supplementing lacking expressions of materials by the rule of experience, it can be subject to the comparison. However, in the case where it is impossible to identify the essential parts of the design from the referenced designs alone, the comparison cannot be made.

The depiction below compares overall shapes and patterns between the registered design at issue and Prior Designs 1 and 2.

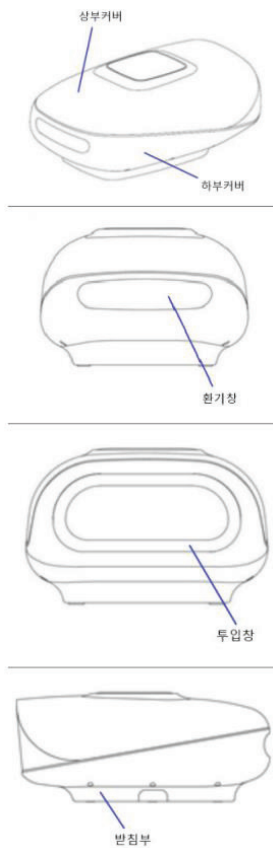
Registered Design at Issue	Prior Design 1	Prior Design 2
<p>Upper Cover</p>  <p>Lower Cover</p>		
 <p>Ventilation Window</p>		 
 <p>Input Window</p>		
 <p>Support Base</p>		
		

Registered Design at Issue	Prior Design 1	Prior Design 2
		
		

The overall shape of the registered design at issue appears to be a rounded-edged rectangular prism, with a configuration comprising an upper cover, a lower cover, a ventilation window, an input window, and a support base. Considering the overall shape, common usage, modality, etc., of the registered design at issue, of which the subject of the article is a “massager,” the features that well illustrate the configuration of the registered design follows: the overall shape, the arrangement and shape of the upper and lower covers, the arrangement and shape of the ventilation and input windows, the arrangement of the connecting surfaces of the upper and lower covers, the shape of connecting lines between the upper cover and the input window, and the shape of the lower cover and support base (hereinafter, the “disputed design elements”). These are deemed to be the features that can draw ordinary observers’ attention.

However, it is difficult to sufficiently be aware of or imagine shapes and patterns of the parts that can be judged by comparing the disputed design parts from Prior Designs 1 and 2, and it

seems impossible to identify the essential parts even by the supplement based on the rule of experience. Hence, because it is not easy to identify shapes and patterns of the corresponding parts from Prior Designs 1 and 2, etc., which are compared with the disputed design parts, it seems that the parts affecting the overall aesthetics of the design cannot be fully identified. Therefore, it can be said that Prior Designs 1 and 2 cannot be determined in terms of whether they are identical or similar to the registered design at issue, and thus, the IPTAB's decision to dismiss the plaintiff's petition for trial shall be upheld.



국문	영문
상부커버	Upper Cover

하부커버	Lower Cover
환기창	Ventilation Window
투입창	Input Window
받침부	Support Base

Case on Bracket Attachment Beam of Finishing Material for Building's Exterior Walls

(Fourth-One Division) IP High Court Decision 2022Heo2462, decided February 1, 2023

Subject Matter	[Design Right] Bracket Attachment Beam of Finishing Material for Building's Exterior Wall
Administrative Decision	IPTAB Decision 2020Dang3087, decided February 3, 2022
Category	Invalidation of Registration (Design)
Reference Provision	Article 33(2) of the Design Protection Act
Reference Decision	Supreme Court Decision 2013Hu2613, decided March 10, 2016


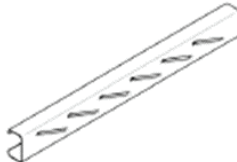
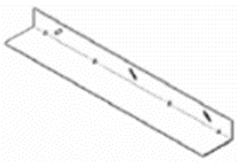

Issue at Hand

1. The easiness of combination of prior designs to easily create designs
2. A case that held that the combination of prior designs is not easy on the grounds that the prior designs lack visual relations with each other, etc.

Case Overview and Issues

The plaintiff filed an invalidation trial of the design registration against the defendant, the owner of the design right, arguing that the registered design at issue could have been easily created from Prior Design 1. The Korean Intellectual Property Trial and Appeal Board (hereinafter, the "IPTAB"), however, dismissed the plaintiff's request. In response, the plaintiff filed a revocation action of the administrative decision, asserting that the registered design at issue can be easily created by an ordinary designer in by combining Prior Design 1 with Prior

Design 2, or by combining Prior Design 1 with Prior Design 2 and Prior Design 3.

Registered Design at Issue	Prior Design 1	Prior Design 2	Prior Design 3
			

Summary of Decision

The claim was dismissed.

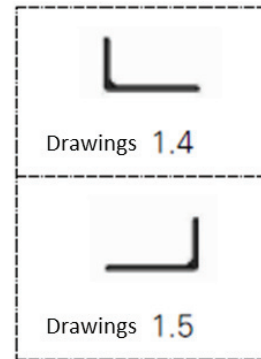
1. The differences between the registered design at issue and Prior Design 1 are as follows: ①

The side rib of the upper end of the registered design at issue is bent inwardly and downwardly once again, whereas, in Prior Design 1, no such bending is visible. ② In the registered design at issue, numerous sloping holes zigzag up and down the slop, creating a shape that appears as if an English letter “V” is repeatedly arranged. In contrast, Prior Design 1 features numerous sloping holes being arranged in the same sloping direction (hereinafter, the “disputed difference”).

As examined above, Difference ① is a small matter in both designs and does not seem to bring about a significant difference in overall aesthetics. However, Difference ②, that is, the disputed difference shall be deemed to create a substantial difference in the overall aesthetics of the two designs. The arrangement of sloping holes in a zigzag pattern as shown in the registered design at issue, or the arrangement of sloping holes consecutively in the same direction as shown in Prior Design 1, constitute essential parts that attract the ordinary observers; the holes arranged consecutively in Prior Design 1 give a simple and orderly aesthetics in overall, while the holes arranged in zigzag pattern in the registered design at issue give an aesthetically dynamic feelings and aesthetic diversity. (No argument or evidence

supports that the disputed difference is due to a commercial or functional modification and that different aesthetic values are not recognized.)

2. It is difficult to deem that an ordinary designer can easily arrive at combining Prior Design 1 with Prior Design 2 or combining Prior Design 1 with Prior Design 2 and Prior Design 3 for the following reasons. That is, ① the shape illustrated in Prior Design 1 is the cross-sectional shape in “ㄱ” is extended in length, forming a shape of the Korean consonant “ㄴ” in overall. However, as seen in drawings 1.4 and 1.5 representing the left and right sides of Prior Design 2, Prior Design 2 demonstrates the cross-sectional shape that resembles the Korean consonant “ㄴ.” In this respect, there is an insufficient showing of relevance in the appearance of the publicly known shapes of Prior Design 1 and Prior Design 2 for an ordinary designer to create something new by combining these shapes. ② The sloping holes of Prior Design 1 are multiple holes, while the sloping holes in Prior Design 3 are protruded in embossed patterns, and the overall shape of the cross-section of Prior Design 3, like Prior Design 2, looks like the Korean consonant “ㄴ,” and thus, there is too little relation in appearances with the publicly known shape of Prior Design 1 for an ordinary designer to create something new by combining these shapes. ③ Prior Design 1 is directed to an article for mounting decorative materials on exterior walls, while Prior Designs 2 and 3 are directed to an article for supporting finishing bricks or masonry walls, and there is little relation between the articles to deem that they would lead an ordinary designer to easily arrive at a situation where he/she would combine the foregoing design elements of prior designs. ④ In addition, there are no other circumstances that lead to the conclusion that there is a general trend in the field of design that allows an ordinary designer to easily arrive at the combination of Prior Design 1 and Prior Design 2 or a combination of Prior Design 1 and Prior Designs 2 and 3.



3. Further, it is difficult to deem that Prior Designs 2 and 3 have fully disclosed the shapes to the extent that an ordinary designer can easily create the registered design at issue by modifying, changing, or using the parts that bring disputed differences from Prior Design 1 resulting in the publicly known shapes of Prior Designs 2 or 3.

Case on Crocs Shoes

(First Division) IP High Court Decision 2022Heo5102, decided May 11, 2023

Subject Matter	[Design Right] Shoes
Administrative Decision	IPTAB Decision 2021Dang3663, decided August 8, 2022
Category	Invalidation of Registration (Design)
Reference Provision	Article 5(1) and 5(2), and Article 68(1)(i) of the old Design Protection Act (amended by Act No. 11848 of May 28, 2013)
Reference Decision	Supreme Court Decision 2013Hu2613, decided March 10, 2016

Issue at Hand

A case that held that the registered design of shoes shall be determined to be invalid as it is a design that can be easily created by an ordinary designer by combining prior designs with a publicly practiced shape in the field of design

Case Overview and Issues

The defendant (Crocs, Inc.) is the owner of the registered design No. 684535, registered on September 10, 2012 (The claim for priority based on U.S. Design Patent D691,351 S is March 9, 2012). The plaintiff filed a petition for invalidation for the aforementioned design, but the Korean Intellectual Property Trial and Appeal Board (hereinafter, the “IPTAB”) rejected the plaintiff’s petition on August 8, 2022, on the grounds that “the registered design cannot be


easily created by combining prior designs.”, etc. The plaintiff appealed this decision and filed the suit.


Meanwhile, the defendant filed a lawsuit against the plaintiff with Seoul Central District Court (2021Gahap567469), for an infringement of the design, seeking an injunction barring the use of the product and damages. On August 12, 2022, the court dismissed the defendant’s claim, stating that “the claim based on the registered design constitutes an abuse of right as the registered design can be easily created by combining prior designs.”



Summary of Decision



The administrative decision was revoked.


Prior Design 4 is a ‘footwear’ design registered under U.S. Design Patent D610,784 S on March 2, 2010. The defendant assigned the rights related to the application before the registration of the design and now owns the design patent (Hereafter, a summary has been made focusing on the examination of the differences between the registered design at issue and Prior Design 4).

① The registered design at issue embodies a decorative band on the front portion of the midsole, extending up to approximately one-third of the side walls of the base (). In

contrast, Prior Design 4 does not have such a decorative band (). However, decorative bands are depicted in Prior Designs 1, 2, and 5. In addition, creating the end of the decorative band to appear as a continuous rounded curve, as shown in the registered design at issue, is recognized as a publicly practiced form of design or a commonly acknowledged creation when considering Prior Designs 6, 7, 9, and 12. Also, shapes where the midsole is partially exposed at the upper portion of the decorative band or where the outsole is entirely exposed are disclosed in Prior Designs 1, 2, 5, and 12.



② The registered design at issue embodies the horizontal stripe crossing the midsole, positioned approximately to the point of 1/5 to 2/5 from the top of the midsole (). In contrast, Prior Design 4 has the stripe positioned in the center of the midsole (). However, arranging the stripes on the midsole up or down can be recognized as a publicly practiced form of design or a commonly acknowledged creation in the field of designing shoes when considering Prior Designs 6, 7, 9 to 12.

③ The width of the band-shaped strap in the registered design at issue is somewhat wider at the center where it hangs on the back of the foot (). In contrast, in Prior Design 4, the width is uniform (). This difference is recognized as an ordinary designer can easily create by combining Prior Design 4 with any of Prior Designs 1, 2, or 3. Further, the U.S. design patent, the basis for the priority claim, excluded the band-shaped strap in its entirety from the claims.

Meanwhile, the defendant argues that the rectangular portion marked with dashed lines () behind the midsole in Prior Design 4 may incorporate various design elements, such as attaching a logo patch, and thus, it is different from the registered design at issue, which lacks such a rectangle portion, embodying a stripe across the entire heel end of the midsole. However, the foregoing rectangular portion is excluded from the scope of the rights of Prior Design 4, and with this exclusion, there is little difference between the registered design at issue and Prior Design 4, featuring a stripe across the entire heel end of the midsole. In fact, an embodiment where the rectangular portion was excluded was submitted at the time of the application of Prior Design 4.

The registered design at issue violates Article 5(2) of the old Design Protection Act, and its registration shall be invalidated under Article 68(1)(i) of the same Act as it can be easily created

by combining Prior Designs 1, 2, 3, 5, and the publicly practiced forms in the relevant field of design.

Key View	Registered Design at Issue	Prior Design 4
Perspective View		

05. Trial to Confirm the Scope of Rights

**Case on Ex officio Examination and Opportunity to State
Opinion During a Trial to Confirm the Scope of Rights**

(First Division) IP High Court Decision 2022Heo2875, 2882 decided November 17, 2023

Subject Matter	[Design Right] Prefabricated Angle Shelf Assembly Parts
Administrative Decision	IPTAB Decision 2021Dang2858, 2857(the order of filing was interchanged), decided March 29, 2022
Category	Confirmation of the Scope of Right (Design)
Reference Provision	Articles 145(1), 145(5), and 147(1) of the Design
Reference Decision	Protection Act Supreme Court Decisions 2004Hu387, decided June 27, 2006; 94Hu241, decided February 9, 1996; 2018Hu11698, decided April 3, 2019; and 2013Hu2965, decided April 28, 2016

Issue at Hand

1. (2022Heo2875) The decision to dismiss the petition for an administrative trial based on a later-registered design submitted in a relevant case is procedurally unlawful as it violates Articles 145(5) and 147(1) of the Design Protection Act.
2. (2022Heo2882) An action for affirmative adjudication on the scope of rights that deemed the post-registered design as the challenged design is improper because the plaintiff was substantially given an opportunity to state his/her opinion on the later-registered design

submitted by the defendant.

Case Overview and Issues

The plaintiff is the owner of design No. 1048370, applied on June 11, 2019, and registered on February 26, 2020. The defendant is the owner of a later-registered design, No. 1091861, applied on August 21, 2020, and registered on January 14, 2021. The plaintiff filed an action for affirmative adjudication on the scope of rights, claiming that the vertical pillar (2021Dang2858), which is a part of the boltless prefabricated angle shelf (Trade name: Simple Rack), and the boltless prefabricated angle shelf (Trade name: Simple Rack, 2021Dang2857), which includes the vertical pillar and its parts, fall within the scope of the plaintiff's registered design. The defendant submitted the Design Gazette for Registration of the defendant's registered design for the decision 2021Dang2857 and a written response stating that "the challenged designs do not fall within the scope of rights of the plaintiff's registered design." In the aforementioned 2021Dang2857 case, the plaintiff received a notice to narrow the claimed subject matter to one and then identified the above-mentioned vertical column as the challenged design. On March 29, 2022, the Korean Intellectual Property Trial and Appeal Board (hereinafter, the "IPTAB") dismissed the plaintiff's claims in its entirety on the grounds that "the challenged design is identical to the later-registered design, and the plaintiff's claims are unlawful as they constitute an affirmative confirmation trial to define the scope of the right."

The plaintiff appealed the respective rulings (2021Dang2858, and 2857) and brought suits challenging the respective cases (2022Hu2875, and 2882), arguing that "despite the fact that the defendant did not argue that the challenged design is identical/similar to the later-registered design or that the plaintiff's petition for trial is unlawful, each of the decision at issue is unlawful because did not provide the plaintiff with an opportunity to state opinion while examining the cases on an ex officio basis; the scope of the right of the later-registered design

cannot be recognized because it lacks novelty or violates the extended first-to-file rule; and the challenged design falls within the scope of the plaintiff's registered design."

Summary of Decision

(2022Heo2875) The administrative decision was revoked (2022Heo2882). The claim is dismissed.

1. 2022Heo2875

As Articles 145(5) and 147(1) of the Design Protection Act are mandatory provisions for the sake of public interest, the IPTAB's decision to conduct an ex officio evidentiary examination without giving the parties an opportunity to submit a written argument concerning the examination on an ex officio basis is unlawful in principle. The IPTAB dismissed the plaintiff's petition for trial on an ex officio basis, determining that "the subject design is substantially identical to the defendant's later-registered design," and recorded the later-registered design in a footnote to the decision, which was submitted during 2021Dang2857 proceeding that was claimed and proceeded on the same day. The IPTAB did not provide the plaintiff with an opportunity to submit a written argument while examining the evidence on an ex officio basis, and it is difficult to conclude that the plaintiff was actually given an opportunity to submit a written argument regarding the later-registered design merely based on the circumstance where he/she was practically aware of the existence and content of the Design Gazette for Registration of the later-registered design due to the relevant case filed concurrently. Also, the plaintiff was not given an opportunity to state an opinion as to the IPTAB's examination of the case at issue on an ex officio basis. Therefore, the decision at issue is procedurally unlawful and shall be revoked.

2. 2022Heo2882

The defendant submitted a written response attaching the Design Gazette for Registration of the later-registration design as Defendant's Exhibit 1 for the petition for trial, and the written response and the evidence were delivered to the plaintiff and therefore had enough time to state opinion about the foregoing, and after receiving the IPTAB's examination document, the plaintiff identified the challenged design after consideration. Even if the IPTAB did not formally provide the defendant with an opportunity to submit the opinion on the defendant's reasons for not applying, the defendant was given an opportunity to submit his/her opinion in practice, and therefore, there was no procedural unlawfulness in the proceedings.

An affirmative confirmation trial for the scope of the rights for taking another person's registered design as the challenged design is unlawful because it results in denying the validity of the registered right outside the invalidation procedure of the registration. A later-registration design has the same shape, form, or combination thereof as the challenged design, or has the same overall aesthetics with only minor differences. Even if the novelty of the later-registered design was denied or the later-registered design violated the first-to-file rule, the case at issue is unlawful because this is an affirmative confirmation trial for the scope of the rights that takes the later-filed and registered design as the challenged design and seeks confirmation that it falls within the scope of rights of the earlier-filed plaintiff's registered design. Therefore, the IPTAB's decision to dismiss the plaintiff's claim for petition for trial shall be upheld.

IV. Trademark Act

01. General Eligibility for Trademark Registration

Case on Kwangcheon Kim

(Second Division) IP High Court Decision 2022Heo5713, decided June 30, 2023

Subject Matter	[Trademark right] 광천김 (Kwangcheon Kim)
Administrative Decision	IPTAB Decision 2021Dang552, decided October 12, 2022
Category	Invalidation of registration (Trademark right)
Reference Provision	Article 2(1)(iii)(b) of the old Trademark Act
Reference Decision	

Issue at Hand

1. Legislative purpose regarding regulations on geographical indication and collective marks with geographical indication and the interpretation of “essentially originated from such specific area”
2. Whether the defendant qualifies as “a corporation jointly incorporated by persons who produce, manufacture, or process goods on which a geographical indication may be used” (Positive)

Case Overview and Issues

The plaintiff filed an action to invalidate mark registration, claiming that “the mark at issue does not constitute the definitions of “geographical indication” under Article 2(1)(3)(2) and “collective mark with an geographical indication” under Article 2(1)(iii)(d) of the Trademark Act at the time of registration (the Act prior to wholly amended by Act No. 14033 on February 29, 2016; hereinafter, the “old Trademark Act”)”. The Korean Intellectual Property Trial and

Appeal Board (hereinafter, the “IPTAB”) dismissed the plaintiff’s petition for trial on the grounds that “the mark at issue shall not be considered not to constitute the definitions of “geographical indication” and “collective mark with geographical indication” specified under Articles 2(1)(iii)(b) and 2(1)(iii)(d) of the old Trademark Act.”

Summary of Decision

The claim was dismissed.

1. Whether the mark at issue constitutes the definition of geographical indication under Article 2(1)(iii)(b) of the old Trademark Act

The legislative purpose of regulations on a geographical indication and a collective mark with geographical indication is to contribute to ensuring the maintenance of the business reputation of the holder of the collective mark right and member(s) of its organization, as well as to protect traders and consumers of goods using geographical indication, by allowing registration the mark when applied as a collective mark with geographical indication, even if consisted of the place of production or a conspicuous geographical name. In this case, cases where a certain quality, reputation, or other characteristic of goods has “essentially originated from such specific area” indicate that a quality, reputation, or other characteristic of goods is correlated with natural environmental conditions, such as climate, soil, topography of a specific area or geographical environment that includes traditional production know-how and facilities, thereby making it difficult to represent a certain quality, reputation or other characteristic of goods without such geographical environment. Furthermore, the old Trademark Act specifies “cases where a certain quality, reputation, or other characteristic of goods has essentially originated from such specific area” and defines in parallel a “quality, reputation, or other characteristic” as conditions for a geographical indication, which may be legitimate to interpret a quality, reputation, and other characteristic as individual requirements for geographical

indication. Thus, it may be considered to satisfy the requirements if any of the quality, reputation, or other characteristics of goods originated from a specific area.

It is reasonable to conclude that “Gwangcheon” has a reputation of “the place of producing seasoned seaweed” at the time of mark registration at issue based on the following circumstances: Gwangcheon-eup has a reputation as a distribution and sales market of traditional seaweed since 1990; When the production and sales of seasoned seaweed increased in the vicinity of Gwangcheon-eup since 2000, merchants and seaweed processing companies in the Gwangcheon-eup neighborhood and Hongseong-gun self-governing body made an effort to rebrand Gwangcheon-eup from a previously known distribution and sales market of traditional seaweed to the place of producing seasoned seaweed; and As a result of such efforts, Kwangcheon Kim was ranked first place in the seaweed category of the National Brand Competitiveness Index, which is calculated by weighing the brand’s overall favorability to individual values, such as brand awareness, representativeness, satisfaction, loyalty, in the “Korea-National Brand Awards” in 2013 and 2014 hosted by JoongAng Ilbo Media Group and sponsored by the Ministry of Knowledge Economy and the Ministry for Food, Agriculture, Forestry and Fisheries.

Gwangcheon-eup has been widely known for the distribution and sales place of traditional seaweed for a long time. However, when the distribution market for traditional seaweed shrank due to Cheonsuman Bay Reclamation Project, merchants and seasoned seaweed production companies in Gwangcheon-eup and Hongseong-gun self-governing body made efforts to rebrand the region from the previously known distribution and sales place of Gwangcheon seaweed to the place of producing seasoned seaweed by holding the Gwangcheon Seaweed and Togul Salted Shrimp Festival to aggressively promote seasoned seaweed as a local specialty. Furthermore, Hongseong-gun self-governing body designated an agro-industrial complex specializing in Gwangcheon seaweed to foster the seasoned seaweed industry by attracting

seasoned seaweed processing companies and consequently, around 30 seaweed processing companies were producing and selling seasoned seaweed in the neighborhood of Gwangcheon-up at the time of the mark registration at issue. Accordingly, Gwangcheon seaweed was ranked first place in the seaweed category of the 2013 Brand Competitiveness Index thanks to the efforts by merchants and seaweed-producing companies in Gwangcheon-eup and Hongseong-gun self-governing body. Against this backdrop, Gwangcheon-eup's reputation as the place of producing seasoned seaweed was achieved based on the previous reputation as a distribution and sales market of traditional seaweed, along with the combination of activities to promote seasoned seaweed as a local specialty through a festival by the merchants, to maintain and promote quality of seasoned seaweed produced in the region, and to foster seasoned seaweed industry by Hongseong-gun self-governing body. The lack of such an environment may lead to the lack of reputation that Gwangcheon-eup currently holds as a place for producing seasoned seaweed. Thus, it is legitimate to conclude that Gwangcheon-eup's reputation as a place for producing seasoned seaweed is essentially attributed to the geographical environment, specifically the human factor.

2. Whether the defendant is eligible for registering the collective mark with a geographical indication in accordance with Article 3(2) of the old Trademark Act

The defendant is a fisheries partnership established pursuant to Article 9(2) of the old Fisheries Act, which shall be substantially considered partnership-ownership under the Civil Act. However, as the defendant has been specially granted legal personality by the Act on Fostering and Supporting Agricultural and Fisheries Business Entities, it shall be treated as a corporation in matters that presuppose legal personality. In this regard, in determining whether the defendant is "a corporation comprised of persons who produce, manufacture or process goods on which such geographical indication may be used" stipulated in Article 3(2) of the old

Trademark Act, such determination shall assume that the defendant has a separate legal personality distinct from its members. A corporation that is recognized as a legal entity is differentiated from a partnership in that it operates within the scope of the purposes set forth in the articles of association, and the organization continues to exist regardless of changes caused by members joining or leaving the organization; the defendant is a corporation comprised only of ‘persons engaged in the production (manufacturing or processing) of Kwangcheon Kim and residing in Gwangcheon-eup’ as stipulated in Article 8 of the articles of association; and the defendant is still considered a corporation comprised of persons who produce, manufacture or process goods on which geographical indication at issue may be used, as defined in its articles of association, even if a person who does not qualify as a member is registered as a member of the defendant. In light of the aforementioned circumstances, the defendant constitutes “a corporation comprised of persons who produce, manufacture or process goods on which such geographical indication may be used.”

02. Articles 33(1)(iii) and (7) of the Trademark Act

Case on LEADERS

(Third Division) IP High Court Decision 2022Heo1858, decided October 13, 2023

Subject Matter	리더스 [Trademark right] LEADERS
Administrative Decision	IPTAB Decision 2020Dang3497, decided December 21, 2021
Category	Invalidation of registration (Trademark right)
Reference Provision	Articles 6(1) ⁶ (iii) and 6(1)(vii) of the old Trademark Act (Before wholly amended by Act No. 14033 on February 29, 2016; The same shall apply hereinafter.)
Reference Decision	Supreme Court Decision 2012Hu2951, decided December 27, 2012

Issue at Hand

A case that held that the registered trademark did not fall within the category of cases where the trademark had lost its distinctiveness at the time of registration or thereafter, or where it is inappropriate to grant exclusive rights to a particular person for the sake of public interest

Case Overview and Issues

The defendant registered the service mark at issue, specializing in dermatology specialty

⁶ Article 33(1) of the current Trademark Act

hospitals, dermatology specialty medical clinics, dermatology specialty clinics, and plastic surgery under Class 44 of the Designated Service Industry Classification (Application Date/Registration Date/Registration Number: July 19, 2002/January 5, 2006/Service Mark Registration No. 125877). On August 2, 2021, the plaintiff filed an invalidation of the registration of the mark with the Korean Intellectual Property Trial and Appeal Board (hereinafter, the “IPTAB”). On January 26, 2022, the IPTAB rejected the plaintiff’s petition, stating that “the registered trademark at issue does fall under Articles 6(1)(iii), 6(1)(vii), and 71(1)(v) of the old Trademark Act.”

Summary of Decision

The administrative decision was revoked.

1. Whether the prior-use service mark has lost its distinctiveness at the time of registration (Negative)



As the registered service mark at issue means ‘leaders,’ it is challenging to conclusively assert that these circumstances alone make it difficult to discern distinctiveness from other goods in the social conception at the time of registration, or that it is inappropriate to grant exclusive rights to a particular person for the sake of public interest.

2. Whether the prior-use service mark has lost its distinctiveness thereafter (Negative)

In relation to this case, the following facts may be recognized: (1) Prior to the registration of the registered service mark at issue, two trademark applications containing the term ‘리더’ (Korean word for leader) or ‘Leader’ and designating Class 44 for its service industry were rejected; (2) Subsequent to the registration of the service mark at issue, six trademarks incorporating ‘리더,’ ‘리더스’ (Korean plural form of leader), or ‘Leader’ and designating Class 44 for its service industry have been applied for and registered; (3) Conversely, 12

trademark applications featuring the word of ‘leaders’ have been rejected since the registration of the mark at issue; and (4) As of the date of closing arguments, more than 130 business names for clinics, dental clinics, or veterinary clinics include the word ‘leaders.’ Nevertheless, these aforementioned facts alone are insufficient to establish that the registered service mark at issue has lost its distinctiveness thereafter, nor do they demonstrate that granting exclusive use of the mark to a specific individual is in the public interest.

(a) The trademarks whose application were rejected, as mentioned in the preceding paragraph (1), include ‘health leader’ or ‘beauty leader,’ formed by combining the words ‘health’ and ‘beauty’ with ‘leader.’ These marks convey meanings such as ‘goods (services) that lead to health’ and ‘the leader of beauty,’ respectively. This renders an intuitive indication of the nature of the designated service industry or lack of distinctiveness when used for the designated service industry, ultimately leading to the rejection of their applications.

(b) The registered trademarks, as mentioned in the preceding paragraph (2), include ‘Bioleaders,’ ‘SOUL Leader & SOUL Reader,’ ‘, ‘’, ‘S Leader,’ formed by combining the word ‘leaders’ with other words or shapes, and are registered because their distinctiveness is acknowledged. Furthermore, recognizing the distinctiveness of the mark formed by the combination with the word ‘leaders’ does not necessarily lead to an immediate conclusion that the word ‘leaders’ has lost its unique distinctiveness.

(c) As mentioned in the preceding paragraph (3), the majority of the applications that were rejected after the registration of the service marks at issue were composite marks combining the word ‘leader’ with words referring to designated services or goods, such as ‘Leaders Academy,’ ‘IP Leaders,’ ‘Leaders Sports Academy,’ ‘leader’s easy bed,’ ‘Leaders Gallery Su,’ ‘LEADERS WEALTH,’ ‘오토리더스 Auto Leaders.’ This renders an intuitive indication of the nature of the designated service industry or lack of distinctiveness when used for the designated service industry, ultimately leading to the rejection of their applications.

(d) As mentioned in the preceding paragraph (4), the majority of hospitals that incorporate the word ‘leader’ into their business names are dental clinics and veterinary clinics. There are only about 10 hospitals that operate as a ‘dermatology specialty hospital,’ similar to the designated service industries of the registered mark at issue. Thus, it is difficult to conclude that the use of a business name similar to the registered service mark at issue has reached the point of losing distinctiveness due to its adoption by an unspecified number of entities.

(e) The Trademark Act safeguards trademark holders through the adoption of the first-to-file rule and the principle of registration. Thus, it is difficult to conclude that the use of marks similar to the registered service mark by an unspecified number of entities after the registration of a specific mark does not necessarily lead to an immediate conclusion that the registered trademark has lost its distinctiveness or granting exclusive use of the mark to a specific individual is deemed against the public interest.

Case on Clean Boss

(Fifth-Two Division) IP High Court Decision 2021Heo6368, decided November 24,

2022

Subject Matter	[Trademark (Application)] “ 깔끔대장 ” Service Mark (of General Trademark)
Administrative Decision	IPTAB Decision 2020Won1886, decided November 3, 2021
Category	Rejection (Trademark right)
Reference Provision	Article 33(1)(iii) of the Trademark Act
Reference Decision	Supreme Court Decisions 2002Hu1140, decided August 16, 2004; 2007Hu1824, decided September 20, 2007; 90Hu1208, decided March 27, 1991; and 2011Hu1142, decided April 13, 2012

Issue at Hand

1. A case that held that the trademark “**깔끔대장**” falls under Article 33(1)(iii) of the Trademark Act concerning the designated goods, based on the likelihood that the mark is capable of causing a strong association or intuition regarding the quality, use, efficacy of the designated goods when used for “descaling agents, anti-fouling agents, cleaning detergents, laundry detergents, kitchen detergents, disinfectant cleaners for toilets, air purifiers, cleaning brushes, etc.,” among the designated goods.

Case Overview and Issues

The plaintiff submitted a trademark registration application for “**갈끔대장**” in Class 1 of the Goods Classification, encompassing “descaling agents, anti-fouling agents, etc.,” Class 3 involving “cleaning detergents, kitchen detergents, household laundry detergents, etc.,” and Class 5 covering “disinfectant cleaners for toilets, household air purifiers, etc.,” as designated goods. Following the rejection of the trademark registration, the plaintiff filed an action. However, the Korean Intellectual Property Trial and Appeal Board (hereinafter, the “IPTAB”) dismissed the petition on the grounds that “the mark at issue constitutes a mark indicating its nature under Article 33(1)iii) of the Trademark Act or a mark that is unrecognizable in identifying which goods related to whose business it indicates under Article 33(1)(vii) of the same Act. Thus, it is difficult to conclude that the plaintiff has acquired distinctiveness through the use as specified in Article 33(2) of the Trademark Act based solely on the materials submitted by the plaintiff.”

Summary of Decision

The claim was dismissed.

1. Relevant legal principles

Article 33(1)(iii) of the Trademark Act prohibits the registration of a trademark consisting solely of a mark indicating, in a common manner, the place of production, quality, raw materials, effect, usage, etc., because such a descriptive mark is deemed necessary in the regular course of distributing goods, and any individual should be able to use them as needed. Thus, there is a request from the point of public interest that such a descriptive mark cannot be used exclusively by a particular person, and if such use is allowed, it would be difficult to identify it in relation to other similar products. Consequently, the determination of whether a trademark

falls within this category is to be made objectively, taking into consideration the concept of the trademark, its relationship with the designated goods, and the prevailing conditions in the market (Supreme Court Decisions 2002Hu1140, decided August 16, 2004, and 2007Hu1824, decided September 20, 2007).

2. Whether the mark constitutes Articles 33(1)(iii) and 33(ii) of the Trademark Act

A. Considering the following facts and circumstances, it is concluded that the mark “**깔끔대장**” at issue constitutes a mark indicating its nature as defined in Article 33(1)(iii) of the Trademark Act.

1) The mark “Clean Boss (ggalggeum-daejang)” itself constitutes a coined word with no dictionary meaning. However, “clean (ggalggeum)” carries the dictionary meaning of “smooth and neat feature” and “boss (daejang)” holds the dictionary meaning of “the leader of a group of people or title pleasantly teasing a person who is good at or enjoys doing something.” Additionally, “boss” as a suffix has the meaning of “an individual (or thing) who is good at something,” which is widely recognized and used by people. Consequently, by simply combining the meanings of each word comprising the mark at issue, it is likely that ordinary consumers and traders can intuitively recognize that the product “has very good quality/efficacy (referring to boss) in cleaning/washing/purifying (referring to clean).” Therefore, it is reasonable to conclude that the mark at issue, when used on the designated goods at the time of making the administrative decision, would be recognized by traders or consumers as meaning of ‘a product that is smooth and neat in removing fur-form, preventing contamination, effective washing or disinfecting (a product that is a major player when compared to other products)’ and would intuitively convey its quality, use, and efficacy concerning the designated goods.

2) The mark at issue seems to be a mark that individuals would commonly wish to use

in the production and distribution of its designated goods, specifically cleaning-related products, and in the operation of a related business. Consequently, granting exclusive rights to a specific individual for the sake of public interest is deemed inappropriate, and its external configuration does not seem to have reached the level of distinctiveness recognized by the general public with ordinary attention.

B. Based solely on the evidence provided by the plaintiff alone, it is difficult to conclude that the mark ‘**깔끔대장**’, has acquired distinctiveness through use, as stipulated in Article 33(2) of the Trademark Act.

C. Consequently, the decision upholding the rejection of the trademark registration is not erroneous, as asserted by the plaintiff.

Case on BLACK SAPPHIRE

(Fourth-One Division) IP High Court Decision 2021Heo4744, decided October 12, 2022

Subject Matter	[Trademark (Application)] BLACK SAPPHIRE
Administrative Decision	IPTAB Decision 2020Won1766, decided June 22, 2021
Category	Rejection (Trademark right)
Reference Provision	Article 33(1)(vii) of the Trademark Act
Reference Decision	Supreme Court Decision 2005Do5358, decided October 14, 2005

Issue at Hand

Whether the mark falls under Article 33(1)(vii) of the Trademark Act, as it is used and recognized as referring to a variety of the designated goods (Negative).

Case Overview and Issues

1. Regarding the plaintiff's application to register the trademark, the examiner of the Korean Intellectual Property Office (KIPO) issued a rejection of registration on the grounds that the mark "(1) is identical to a new variety of grapes developed in the United States and indicates the nature (raw materials, quality, etc.) of the designated goods (Article 33(1)(iii) of the Trademark Act); (2) not only is unrecognizable to identify which goods related to whose business it indicates, but also should be freely used by anyone in the relevant industry (Article

33(1)(vii) of the Trademark Act); and (3) is likely to mislead consumers about the quality of designated goods as a new variety developed from the United States (Article 34(1)(xii) of the Trademark Act)” have not been resolved.

2. Regarding the plaintiff’s appeal against rejection, the Korean Intellectual Property Trial and Appeal Board (hereinafter, the “IPTAB”) rendered a decision to dismiss the plaintiff’s claim on the grounds that “the trademark at issue is recognized as a variety of grapes by the general public and traders, and therefore it is difficult to be identified as a source of designated goods and accordingly inappropriate to grant exclusive rights to use to a particular person for the sake of public interest. Thus, the mark at issue falls under Article 33(1)(vii) of the Trademark Act.”

3. In the proceedings of this case, the defendant argued that there was a reason for refusal to register the trademark as stipulated in Article 33(1)(vii) of the Trademark Act, asserting that the mark at issue was used and recognized as referring to a variety of designated goods. In response, the plaintiff refuted that there were no circumstances for the distinctiveness of the mark unrecognizable by social convention or granting exclusive rights to a specific individual is inappropriate for the sake of public interest, given the mark is used for a new variety of grapes called “IFG Six,” which was developed by the plaintiff.

Summary of Decision

The administrative decision was revoked.

The mark at issue is a letter trademark, comprising the English words “Black” and “Sapphire” that connotes lapis lazuli. The defendant argues that this mark (**BLACK SAPPHIRE**) is used and recognized as referring to the designated goods, a variety of “fresh grape (fresh fruit).”

However, (1) Namuwiki, an online resource, reveals that in Korea, the grape variety depicted on the right is called “Black Sapphire,” but it also notes the variety’s name as “Sweet Sapphire.” Additionally, it lists various names used in different countries, such as ‘Sweet Sapphire Grapes or Moon Drops’ in English, “Black Sapphire or Eggplant Grapes” in Korea, and “スウィートサファイア (Sweet Sapphire)” in Japan, indicating a lack of consistent naming. Consequently, it is difficult to conclude that “Black Sapphire” definitively identifies the grape variety in Korea based on the partial information that one of the names used in Korea is “Black Sapphire.” (2) The defendant’s claim that the mark at issue is used and recognized as referring to the variety of the designated goods implies that it has become a generic term for the designated goods. However, whether a trademark has become generic should be determined by the actual course of trade in the relevant country. This requires careful judgment, considering whether it is an exceptional case that necessitates overriding the trademark holder’s interests and the public interest associated with the trademark. (3) Although the name ‘Black Sapphire’ is used in some internet articles, blog posts, and online forums to describe the grape at issue, it is also interchangeably used with other names like “Sweet Sapphire,” “Eggplant Grapes,” “Moon Drops,” and “Witch Grapes.” There is no direct evidence indicating that “BLACK SAPPHIRE” is the official varietal name of the grape at issue. (4) Additionally, the plaintiff has applied for and registered a patent for the grape variety in the United States, where the patent specification mentions “IFG Six” as its varietal name. The Korea Seed & Variety Service (KSVS) also lists its varietal name as “IFG Six” and its trade name (product name) as “Sweet Sapphire” in the domestic notification of overseas registered variety. Furthermore, traders who import and sell this variety have been registering its varietal name as “IFG Six” with the KSVS.



Given these circumstances, it is inappropriate to consider that the mark is used or recognized

as referring to a variety of “fresh grape (fresh fruit),” which is the designated goods at issue. Additionally, under other premises, the distinctiveness of the mark may not be unrecognizable by social convention in relation to the designated goods, nor it is inappropriate to grant exclusive rights for the mark to a particular person for the sake of public interest. In conclusion, the trademark at issue constitutes the grounds for rejection under Article 33(1)(vii) of the Trademark Act.

Case on Watercolor Hair Dye

(Second Division) IP High Court Decision 2022Heo4406, decided March 24, 2023

Subject Matter	[Trademark (Application)] 물염색
Administrative Decision	IPTAB Decision 2021Won3285, decided July 4, 2022
Category	Rejection (Trademark right)
Reference Provision	Articles 33(1)(iii) and 33(1)(vii) of the Trademark Act
Reference Decision	Supreme Court Decisions 2002Hu1140, decided August 16, 2004; 2016Hu2447, decided March 15, 2017; and 2011Hu1142, decided April 13, 2012

Issue at Hand

A case that held that the trademark at issue falls under Articles 33(1)(iii) and 33(1)(vii) of the Trademark Act

Case Overview and Issues

The plaintiff filed a petition seeking to overturn the decision that rejected trademark registration for the trademark at issue (designated goods: hair dye, hair dye remover, etc., in Class 3 of the Goods Classification). However, the Korean Intellectual Property Trial and Appeal Board (hereinafter, the “IPTAB”) dismissed the plaintiff’s petition on the grounds that “the trademark at issue falls under Articles 33(1)(iii) and 33(1)(vii) of the Trademark Act in

relation to the designated goods. While the distinctiveness by use can be recognized for goods such as “hair dye, hair dye remover, cosmetic colorant, and cosmetic dye” among the designated goods, the remaining designated goods such as “hair dye for pets, etc.,” cannot be viewed as holding distinctiveness by use. Therefore, if the requirements for trademark registration are only partially met by some of the designated goods of this trademark, a decision to reject a registration should be rendered for the application for all designated goods.”

Summary of Decision

The administrative decision was revoked.

The term “watercolor hair dye” has been commonly used to refer to “hair coloring with water.” Numerous products incorporate “watercolor hair dye” in association with hair coloring products that require water for use. Furthermore, “watercolor hair dye” is also employed by the plaintiff in conjunction with other source marks., and “watercolor hair dye” has often been used to describe a hair coloring product used by mixing with water. Given the aforementioned circumstances, it is reasonable to conclude that the trademark at issue is a descriptive mark that is intuitively understood by the general public as denoting the use or method as a “hair coloring product used by mixing with water,” especially in connection with hair products, such as the designated goods, “hair dye.”


As observed, the trademark at issue is recognized by the general public as a “dye product used by mixing with water” in relation to the designated goods; numerous trademarks containing “watercolor hair dye” have been applied for and registered; and multiple hair products featuring “watercolor hair dye” on their labels are being distributed, as referring to “watercolor hair dye product.” Thus, the trademark at issue constitutes a trademark whose distinctiveness is unrecognizable by consumers in identifying which goods related to whose business it indicates and accordingly it is inappropriate to grant exclusive rights to use a

trademark to a particular person for the sake of public interest.

In conclusion, the trademark at issue falls under Articles 33(1)(iii) and 33(1)(vii) of the Trademark Act and cannot be registered.

Case on Cash App

(Second Division) IP High Court Decision 2021Heo5945, decided November 25, 2022

Subject Matter	[Trademark (Application)]  Cash App
Administrative Decision	IPTAB Decision 2020Won581, decided September 8, 2021
Category	Rejection (Trademark right)
Reference Provision	Article 33(1)(vii) of the Trademark Act
Reference Decision	Supreme Court Decisions 2019Hu11794, decided May 14, 2020, and 2011Hu1142, decided April 13, 2012

Issue at Hand

A case that held that the plaintiff's internationally registered trademark lacks distinctiveness by social convention, making it difficult for consumers to identify which goods are related to whose business, and thus granting exclusive rights for its use to a particular person is deemed inappropriate for the sake of public interest

Case Overview and Issues

The plaintiff filed a petition seeking to overturn the rejection of the registration for its internationally registered trademark [Designated Goods: Downloadable software for enabling the transfer of financial instruments in Class 9 of the Goods Classification]. The Korean Intellectual Property Trial and Appeal Board (hereinafter, the "IPTAB") dismissed the plaintiff's claim on the grounds that 'the internationally registered trademark at issue falls under

Article 33(1)(vii) of the Trademark Act.’

Summary of Decision

The claim was dismissed.

1. Whether the mark falls under Article 33(1)(vii) of the Trademark Act

The shape of the mark at issue cannot be perceived as particularly novel, as similar forms existed prior to the decision date and were widely used in various financial-related fields. Additionally, the text element of the mark, in light of its conventional and trade-related meanings, indicates its function or use in financial-related applications, and is commonly employed in commerce to denote or describe applications providing banking services, or mobile phone applications that allow users to collect points and convert them into cash, leading to a lack or insufficiency of distinctiveness. Furthermore, the combination of the shape and texts does not create a novel concept. Given these circumstances, it is reasonable to conclude that the internationally registered trademark at issue lacks distinctiveness, given the difficulty for the trademark to be recognized for its distinctiveness by social convention, thus rendering it unrecognizable by consumers in identifying which goods are related to whose business it indicates, and therefore granting exclusive rights of use to a particular person is deemed inappropriate for the sake of public interest.

2. Whether its distinctiveness can be identified through registration in other countries

Although the mark at issue has already been registered in countries such as Australia, Algeria, Israel, Japan, and Madagascar, the decision to register the same mark in Korea should be determined independently, considering designated goods and services under the Trademark Act in Korea, and should not be influenced by foreign registration cases, which operate under different legal systems and linguistic practices. Moreover, the plaintiff also acknowledges that

its application does not provide services in Korea. Therefore, it is difficult to conclude that the distinctiveness of the mark is recognized based solely on the aforementioned circumstances.

3. Whether the mark is known domestically as a source of the plaintiff

The plaintiff argues that the internationally registered mark at issue is recognized as an indicator of the plaintiff to some extent, and that owning an exclusive right to use it does not conflict with public interest. However, the evidence presented by the plaintiff primarily emphasizes the popularity of “Cash App” in the United States, including recent business activities and investment information about the plaintiff’s company, making it difficult to conclude that the general consumer in Korea recognizes the distinctiveness of “Cash App.” Additionally, as the plaintiff acknowledges, the “Cash App” does not operate correctly in Korea, even if downloaded and installed on a smartphone. Furthermore, as mentioned earlier, the term “Cash App” alone inherently signifies “an app (application) related to money (or cash),” and prior to the decision date in this case, the same shape of the mark at issue had been frequently used in Korea in connection with financing. Similarly, the text element of the mark at issue had also been used to denote or describe “an app (application) related to money (or cash).” Given these circumstances, the plaintiff’s claim may not be accepted.

Case on 462 Baking Plate

(First Division) IP High Court Decision 2022Heo3038, decided February 16, 2023

Subject Matter	[Trademark] 462 Baking Plate
Administrative Decision	IPTAB Decision 2021Dang2716, decided April 7, 2022
Category	Invalidation of Registration (Trademark right)
Reference Provision	Articles 6(1)(iii) and 71(1)(v) of the old Trademark Act (Before being wholly amended by Act No. 14033 on February 29, 2016, the same shall apply hereinafter)
Reference Decision	Supreme Court Decisions 99Hu2549, decided February 22, 2000; 2012Hu3800, decided October 15, 2014; 97Hu2323, decided March 23, 2000; 2005Hu3031, decided April 27, 2007; 94Hu1770, decided February 10, 1995; 2002Hu1140, decided August 16, 2004; and 2011Hu1142, decided April 13, 2012

Issue at Hand

A case that held that the trademark, “462 baking plate” has maintained its distinctiveness, as it has become a generic term for its designated goods, which include ‘non-electric waffle molds and non-metal bread molds,’ and it has established as a descriptive mark after its registration

Case Overview and Issues

The defendant is a trademark right holder of trademark No. 619674 (mark: 462빵관), registered on March 31, 2005, under Class 21 for ‘non-electric waffle molds and non-metal bread molds’ as its designated goods. On September 14, 2021, the plaintiff filed a petition with the Korean Intellectual Property Trial and Appeal Board (hereinafter, the “IPTAB”) to invalidate this trademark on the grounds that “the mark at issue has been routinely used by individuals in the same field’ for a baking plate of measuring 400 mm in width, 600 mm in length, and 20 mm in height ‘before or at least since its registration decision date. Furthermore, using it for a baking plate that does not meet these specifications could mislead consumers about the quality of the goods.” On April 7, 2022, the IPTAB rejected the plaintiff’s petition. In court, the plaintiff argued that the trademark at issue was “a descriptive mark indicating the above-mentioned baking plate measurements before its application or at least became a descriptive mark after its registration.”

Summary of Decision

The claim was dismissed.

The registered mark at issue cannot be considered a trademark consisting solely of a mark indicating the quality, raw materials, and efficacy of the goods in the ordinary course of business for the designated goods, specifically “non-electric waffle molds and non-metal bread molds,” as of May 31, 2005, the date of the registration decision. The “baking plate” component of the trademark at issue lacks distinctiveness and is recognized as separate from the number “462.” In the industry, when displaying rectangular-shaped baking plates, the long side is generally viewed horizontally to indicate the size, a practice adopted by both the plaintiff and the defendant. Even if the “462” component coincides with each of the leading digits

of “400 mm wide, 600 mm long, 20 mm high measurements for a baking plate,” it is difficult to conclude that it provokes any intuition beyond suggesting or emphasizing these measurements in relation to the designated goods. Furthermore, even if the baking plate with these measurements was introduced in 1998, it is hard to believe that it has been widely referred to as the “462 baking plate” since then; nor can it be said that a mark such as “462 baking plate” is common in the industry, based solely on the product catalog of business operated by the defendant’s brothers. Moreover, a simultaneous Google search of “462” and “baking plate” as of February 9, 2018, and May 9, 2019, yielded fewer than 10 results for baking plates with these measurements. If the plaintiff’s argument were valid, there would be no need for a separate indication of the measurements for the “462 baking plate,” yet the majority of the plaintiff’s evidence includes such measurements.

It is also difficult to conclude that the registered mark at issue has not lost its distinctiveness by becoming a descriptive mark after its registration. As explained above, it seems inappropriate to assert that the “462” component induces any intuition beyond suggesting or emphasizing these measurements for a baking plate. Many of the “462 baking plate” products in the catalogs and internet home shopping pages submitted by the plaintiff include the defendant’s products, products advertised by companies supplied by the defendant, and products advertised by the defendant’s competitors, including the plaintiff, in violation of the defendant’s trademarks. Furthermore, a simultaneous Google search of “462” and “baking plate” as of February 9, 2018, and May 9, 2019, yielded fewer than 10 results for baking plates with these measurements. Additionally, according to Naver search results, there are numerous instances where baking plates with these measurements are not simply referred to as “462” or similar, but are described by specifying the measurements in a general manner. Since July 2021, the defendant has been actively protecting the registered trademark at issue, including sending a certification of contents to cease the violation of trademark infringement to competitors, such

as the plaintiff, and filing criminal charges against them.

Given that the trademark at issue does not fall under Articles 6(1)(iii) and 71(1)(v) of the old Trademark Act, its registration should not be invalidated, and the decision shall be upheld.

Case on OnePlusOne

(First Division) IP High Court Decision 2022Heo6532, decided April 27, 2023

Subject Matter	[Trademark (Application)] OnePlusOne
Administrative Decision	IPTAB Decision 2021Won1925, decided November 25, 2022
Category	Rejection (Trademark right)
Reference Provision	Articles 33(1)(iii) and 33(1)(vii) of the Trademark Act
Reference Decision	Supreme Court Decisions 2022Hu1140, decided August 16, 2004; 2007Hu1824, decided September 20, 2007; 2012Hu2951, decided December 27, 2012; 2011Hu1142, decided April 13, 2012; and 2005Hu339, decided May 12, 2006

Issue at Hand

A case that held that the trademark ‘OnePlusOne’ was a mark indicating the nature of its designated product, in relation to ‘software, etc.,’ under Article 33(1)(iii) of the Trademark Act

Case Overview and Issues

The plaintiff filed a trademark application for the mark “원플러스원” under Class 9 of the Goods Classification by specifying ‘software, application software for smartphones, computer software platforms’ as the designated goods (Application No. 40-2020-78371). However, the examiner of the Korean Intellectual Property Office (KIPO) rejected the registration of the

mark, on the grounds that that it was a mark indicating its nature under Article 33(1)(iii) of the Trademark Act and lacked distinctiveness under Article 33(1)(vii) of the same Act. Subsequently, the plaintiff filed an appeal, but the Korean Intellectual Property Trial and Appeal Board (hereinafter, the “IPTAB”) upheld the initial rejection based on the same reasons.

Summary of Decision

The claim was dismissed.

The trademark at issue is regarded as a mark indicating its nature under Article 33(1)(iii) of the Trademark Act, especially in relation to the designated goods “software.” The mark at issue is a letter trademark comprising the Korean words “one,” “plus,” and “one,” written in a straightforward manner without spaces, and its appearance does not attract special attention. The term “OnePlusOne” is commonly associated with the promotional phrase ‘buy one, get one free’ and is widely used in the distribution of goods. Given the level of English comprehension in Korea, this meaning is likely to be understood by ordinary consumers and traders. The trademark at issue is considered necessary for anyone involved in the distribution of the designated goods, such as applications and software. Therefore, granting exclusive rights to a particular person is deemed inappropriate for the sake of the public interest. The existence of registered trademarks including the phrase “one plus one” does not provide a basis for the registration of the mark at issue.

The registration of this mark should be refused (without further examination to determine whether it corresponds to Article 33(1)(vii) of the Trademark Act), and thus, the decision in this case shall be upheld.

Case on Yangtang-guk (bowl of liquid from the Western world)

(Fourth-First Division) IP High Court Decision 22Heo6068, decided August 30, 2023

Subject Matter	[Trademark] 양탕국
Administrative Decision	IPTAB Decision 2022Dang1459, decided November 4, 2022
Category	Invalidation of Registration (Trademark right)
Reference Provision	Articles 6(1)(iii) and 6(1)(vii) the old Trademark Act (Before being wholly amended by Act No. 14033 on February 29, 2016, the same shall apply hereinafter)
Reference Decision	Supreme Court Decision (en banc) 2011Hu3698, decided March 20, 2014

Issue at Hand

Whether the mark of the registered trademark falls under Articles 33(1)(iii) and 33(1)(vii) of the Trademark Act as a former name for designated goods (Negative)

Case Overview and Issues

1. The defendant filed a petition to invalidate the trademark registration held by the plaintiff (trademark right holder), claiming that the registered mark at issue falls under Articles 6(1)(iii) and 6(1)(vii) of the old Trademark Act. The basis for this claim was that the mark is the name of goods related to the services provided in the designated goods (service industry) categories of “coffee shop and snack bar.” The Korean Intellectual Property Trial and Appeal Board

(hereinafter, the “IPTAB”) agreed with the defendant’s petition, reasoning that the mark at issue is recognized by the general public or traders as a mark indicating the nature of the designated goods (services), specifically being identified as “the former name of coffee.”

2. The plaintiff filed a petition seeking to revoke the prior judgment in this case and claimed that “yangtang-guk” is not the former name of coffee and has not been recognized as such by the general public or traders. Furthermore, the plaintiff argued that they had exerted significant efforts to promote the registered mark at issue “yangtang-guk”. Thus, the plaintiff argued that the registered mark at issue should not be invalidated on the grounds that it falls under Articles 6(1)(iii) and 6(1)(vii) of the old Trademark Act.

Summary of Decision

The administrative decision was revoked.

1. Legal principles underlying judgments

A. The distinctiveness of a trademark carries a relative and flexible characteristic that may vary based on factors such as the concept of the trademark, its relationship with the goods, the nature of the market where the goods are traded, trade status and methods, properties of the goods, consumer demographics, the trademark’s usage extent (Supreme Court Decision 2011Hu3698, decided March 20, 2014, en banc decision). The legal principle that the distinctiveness of a trademark can be relative and flexible extends beyond cases where a trademark is used exclusively and continuously by a particular person for a considerable period, eventually leading the general public or traders to recognize the mark as referring to goods from a specific source. This principle also applies to cases where the concept of the language of the phrase comprising the trademark induces intuition about the nature of goods and ends up obtaining distinctiveness after being used for a considerable period by the general public to the extent that it suggests or emphasizes the nature of the goods, even in a state of lacking

distinctiveness initially.

B. The concept of a product's name is diachronic and changes in how it is recognized by consumers or traders over time. A product's former name is understood through a dual association of the product's name and its historical context. Therefore, the extent to which the former name is associated with the product, and how much it is linked to its historical context can vary over time. This variation affects the degree to which the former name intuitively signifies the nature of the product or merely suggests or emphasizes it. Considering that the concept of a trademark is intuitively understood by the general consumer or trader at the time of the registration decision, granting exclusive rights to use a trademark to a particular person is not necessarily against the public interest, even if it is the former name of the goods, regardless of temporal changes or shifts in general perception. Conversely, denying the distinctiveness of a trademark solely because it is recognized as a former name of goods could unduly restrict the applicant's freedom of choice, given the diachronic nature of a product name.

C. If this principle is applied, an individual filing a petition to invalidate a trademark registration on the grounds that the trademark is a product's former name and falls under Articles 6(1)(iii) and 6(1)(vii) of the old Trademark Act must assert and prove specific circumstances to conclude that as of the date of the registration decision, the trademark is recognized to the extent that it intuitively signifies the nature of the product, in light of factors such as the duration of the name's use, as well as the patterns of language use and language habits of the general consumer or traders.


2. It is difficult to conclude that the term "yangtang-guk," which forms the registered trademark at issue, was recognized as a former name for coffee among ordinary consumers or traders at the time of the registration decision. Even with the assumption of such recognition, there is no evidence indicating that the general public or traders perceived "yangtang-guk" on the date of

the registration decision in a way that they intuitively recognized it as the nature of coffee. Consequently, the registered mark at issue cannot be deemed a descriptive mark or a mark lacking exclusive adaptability.

03. Article 33(1)(iv) of the Trademark Act

Case on the Korean Peninsula Map


(Fifth-One Division) IP High Court Decision 2022Heo3229, decided April 20, 2023

Subject Matter	[Trademark (Application)] Mark with the shape of the Korean Peninsula ()
Administrative Decision	IPTAB Decision 2021Won111, decided April 14, 2022
Category	Rejection (Trademark right)
Reference Provision	Article 33(1)(iv) of the Trademark Act
Reference Decision	Supreme Court Decision 2015Hu1454, decided June 21, 2018 (en banc)

Issue at Hand

1. Whether the term “map” as defined in Article 33(1)(iv) of the Trademark Act means a map of the world (including parts thereof) or a map of a country, and includes not only an accurate map but also a map that can be recognized as such by social convention (Positive)
2. A case that held that the trademark at issue falls under Article 33(1)(iv) of the Trademark Act, based on the interpretation of the provisions of the aforementioned Trademark Act, on the grounds that depicting the map of Korea in a color different from the actual map, simplifying the coastline, or distorting the proportions of the Korean Peninsula and its annexes are merely ordinary representation methods, making it difficult to see the mark at issue as giving the general public any notion or impression other than that of the map of Korea

Case Overview and Issues

The plaintiff applied for a trademark registration of a mark in the shape of the Korean Peninsula “” for ‘seasoned seaweed, seaweed flake, lunch box seaweed, and dried seaweed’ in Class 29 of the Goods Classification. The plaintiff filed a petition to revoke the rejection of trademark registration, but the Korean Intellectual Property Trial and Appeal Board (hereinafter, the “IPTAB”) dismissed the plaintiff’s petition, on the grounds that “the mark at issue falls under Article 33(1)(iv) of the Trademark Act, comprising solely of a realistic map of the Korean Peninsula with a conspicuous geographical designation and the evidence submitted by the plaintiff alone cannot be deemed to obtain distinctiveness through use under Article 33(2) of the Trademark Act.”


Summary of Decision


The claim was dismissed.

1. Relevant legal principles


Article 33(1)(iv) of the Trademark Act stipulates that a trademark consisting solely of a conspicuous geographical name, its abbreviation, or a map cannot be registered. The purpose of this provision is to prevent the granting of exclusive rights to use a mark to a particular person, as the distinctiveness of such trademarks cannot be recognized due to their remarkability and familiarity.

2. Whether the mark falls under Articles 33(1)(iv) and 33(2) of the Trademark Act


A. Considering the following facts and circumstances, it is determined that the trademark at issue “” constitutes a trademark consisting solely of a map of the Republic of Korea, falling under Article 33(1)(iv) of the Trademark Act:

1) The trademark at issue “” consists of the shapes of the Korean Peninsula, Jeju Island, Ulleungdo Island, and Dokdo Island, represented by two green lines.

2) The term ‘map’ as defined in Article 33(1)(iv) of the Trademark Act means a map of the world (including parts thereof) or a map of a country, and includes not only an accurate map but also a map that can be recognized as such by social convention.

3) Expression methods such as using different colors from the actual map of the Republic of Korea, simplifying the coastline, or distorting the proportions of the Korean Peninsula and its annexes are common ways to depict the map of the Republic of Korea. The mark at issue “” is represented by two lines, with a thicker outer line and a thinner inner line, but these expression methods can only be discerned upon close examination, making it difficult to conclude that the mark at issue would lead average consumers to form any concept or impression other than that of the map of the Republic of Korea.

4) Therefore, as the trademark at issue is widely recognized by the general public as a map of the Republic of Korea, it is difficult to conclude that the trademark has obtained the distinctiveness necessary as a mark indicating its source. Consequently, granting exclusive rights to use the trademark to a particular person is deemed inappropriate.

B. It is difficult to conclude that the evidence submitted by the plaintiff alone demonstrates that the mark at issue “” has obtained distinctiveness through use as defined in Article 33(2) of the Trademark Act.

C. Therefore, there was no error of law in the decision to uphold the rejection of the trademark registration regarding the plaintiff’s trademark.

04. Article 33(2) of the Trademark Act

Case on Korea Gold Exchange

(Third Division) IP High Court Decision 2022Heo5676, decided July 6, 2023

Subject Matter	[Trademark (Application)] 한국금거래소
Administrative Decision	IPTAB Decision 2021Won775, decided September 23, 2022
Category	Invalidation of Registration (Trademark right)
Reference Provision	Article 33(2) of the Trademark Act
Reference Decision	Supreme Court Decision 2006Hu2288, decided September 25, 2008, etc.

Issue at Hand

A case that held that despite the plaintiff having used the mark at issue for a considerable period to introduce the designated goods through numerous promotional activities and achieve substantial sales volume, it was difficult to conclude that the plaintiff had acquired distinctiveness through use, and additionally, the survey conducted by the plaintiff to prove the acquisition of distinctiveness was also inadequate, considering a sample design, questions, and other factors

Case Overview and Issues

The plaintiff applied for a trademark for “gold” and “ingot gold observing regular form and degree of purity” in Class 14 of the Goods Classification (Application Date/Registration Number: October 26, 2020/Application No. 40-2020-189561). However, the examiner of the Korean Intellectual Property Office (KIPO) rejected the trademark registration on February 25,

2021, on the grounds that the trademark falls under Articles 33(1)(iii), 33(1)(iv), and 33(1)(vii) of the Trademark Act. Subsequently, the plaintiff filed a petition to invalidate the registration with the Korean Intellectual Property Trial and Appeal Board (hereinafter, the “IPTAB”), claiming it had acquired distinctiveness under Article 33(2) of the Trademark Act. On September 23, 2022, the IPTAB rejected the plaintiff’s petition, on the grounds that “the mark at issue falls under Articles 33(1)(iii), 33(1)(iv), and 33(1)(vii) of the Trademark Act and is not a trademark that can be registered under Article 33(2) of the Trademark Act.” (There is no dispute over the fact that the mark falls under Articles 33(1)(iii), 33(1)(iv), and 33(1)(vii) of the Trademark Act.)

Summary of Decision

The claim was dismissed.

○ Whether the trademark has obtained distinctiveness through use (Negative)

It appears that the plaintiff has been using the mark associated with the trademark at issue on designated goods since at least around 2011, and the designated goods have been introduced to a large number of market traders through consistent promotional activities, with the sales of the designated goods reaching a significant level. However, these circumstances alone are insufficient to establish that the plaintiff has obtained distinctiveness through continuous and exclusive use, to the extent that the mark is recognized by ordinary consumers as indicating the source of the designated goods, for the following reasons:

(1) The trademark at issue does not appear to have been consistently affixed to the designated goods as a source of origin. Moreover, apart from small-scale store signs, the trademark at issue has been rarely used alone as the source of the designated goods, and was primarily used in conjunction with other registered or actually used trademarks. This likely stems from the plaintiff’s recognition that the trademark at issue alone does not possess distinctiveness as a

source of goods. (2) Although it appears that the trademark at issue was displayed alongside the product name in the product listings of the online marketplace, it is unlikely that the trademark would have attracted significant attention as the source of the designated goods, considering the fact that the distinctiveness of the mark is inherently low and the product listings were more focused on the image of the product rather than the actually used trademark. (3) Based on the status of trademark registrations and applications containing the words “Korea,” “gold,” and “exchange,” along with website search results, it is difficult to conclude that the plaintiff has been exclusively using the mark, as it has been used competitively by a number of businesses as a component consisting of their trademark. (4) The plaintiff operates various businesses under different brands, such as “Soongumnara (Pure Gold Country).” In addition to the gold bars imprinted with the trademark at issue, the plaintiff also sold gold bars manufactured by a third party that did not bear the plaintiff’s trademark, as well as various precious metals, including silver bars, jewelry, and ornaments. Therefore, it is difficult to conclude that the plaintiff’s sales are exclusive of the designated goods marked with the trademark at issue. Furthermore, considering that the cost of the designated goods ‘gold’ is inherently high, and as a safe asset, is greatly influenced by the trading environment, including interest rates, economic conditions, and sentiment favoring safe assets, it is difficult to assert that the trend of the plaintiff’s sales reflects recognition of the trademark as is.⁷ (5) Considering the details of the advertising and promotional activities financed by the plaintiff, it appears that the impact of these activities on the recognition of the trademark is limited.

○ Whether the survey results conducted by the plaintiff can be used to determine the acquisition of distinctiveness (Negative)

⁷ For instance, sales of designated goods spiked in 2021 and then plummeted in 2022. This change in sales is likely attributed to sentiment favoring safe assets and changes in interest rates caused by the outbreak of the coronavirus, rather than the distinctiveness of the trademark.

The survey results in this case are deemed inappropriate for determining whether the mark at issue has obtained distinctiveness through use for the following reasons:

(1) The survey in this case was conducted only with 500 respondents (refer to Part IV, Chapter 9 of the Trademark Examination Standards). (2) Among the designated goods, “gold” should have a wide range of ordinary Korean adults as consumers based on a typical course of transactions. However, the survey in this case excluded individuals who responded not interested in “buying gold bars and investing in gold” from the analysis. (3) The survey in this case was conducted as an online panel survey via e-mail. Therefore, respondents were able to see the questions all at once, which allowed them to answer the questions with a clear understanding of the intent of the survey. (4) Consumers may perceive a mark in the form of “Korea OO Exchange” as a trade name or trademark of a specific company, rather than a generic term, regardless of its usage history. In order to exclude responses irrelevant to this usage history, the plaintiff did not include similar marks, such as “Korea Virtual Currency Exchange” and “Korea Jewelry Exchange,” which may be challenging to recognize as distinctive, as part of the control group.

05. Article 34(1)(vii) of the Trademark Act

Case on DB

(Fourth-Two Division) IP High Court Decision 2022Heo2684, decided December 28, 2022

Subject Matter

[Trademark right] 

Administrative Decision

IPTAB Decision 2020Dang2382, decided February 24, 2022

Category

Invalidation of Registration (Trademark right)

Reference Provision

Article 34(1)(vii) of the Trademark Act

Reference Decision

Supreme Court Decisions 2005Hu3284, decided September 6, 2007, and 2003Hu1086, decided August 19, 2005

Issue at Hand

1. Similarities of the trademark
2. Similarities of the goods




Case Overview and Issues

The plaintiff filed an action to invalidate the trademark registration against the defendant (trademark right holder), claiming that the registered trademark at issue falls under Articles 34(1)(vi), 34(1)(vii), 34(1)(xi), and 34(1)(xii) of the Trademark Act. However, the Korean Intellectual Property Trial and Appeal Board (hereinafter, the “IPTAB”) rendered a decision to reject the plaintiff’s petition on the grounds that: (1) The registered trademark does not fall under Article 34(1)(vi) of the Trademark Act, as it is difficult to consider “DB” as an

abbreviation of a well-known trade name; (2) It does not fall under Articles 34(1)(vii) and 34(1)(xii) of the same Act, as it is difficult to consider that the mark is similar to a previously registered or used trademark; and (3) It does not fall under Article 34(1)(xi) of the same Act, since the previously registered or used trademark is not a famous trademark.

Summary of Decision

The administrative decision was revoked.

Registered trademark by the defendant	Previously registered trademark by the plaintiff	Previously used trademarks
		

1. (1) The text element of both trademarks “DB” is identical, although they differ in font and color. Additionally, the shape element of the marks varies in color, type, and size, making it challenging to declare their appearances identical or similar. (2) It is difficult to extract a unique concept from the shape element of the trademarks. Furthermore, there is also no evidence suggesting that “DB” is used in the designated goods industry, such as cosmetics and soap, with a special significance, leading to comparing the concept of these trademarks problematic. (3) Each shape element appears difficult to be identified by a specific name, based on its composition or shape. However, considering the general English proficiency of consumers and traders in Korea, the text element of both trademarks is likely to be recognized as “dibi (the Korean pronunciation for DB).” Therefore, it is reasonable to conclude that the names of these two marks are identical.

Given the current widespread use of promotional media, such as advertisements and

telephones, where trademarks are often publicized through auditory means and orders for goods are commonly made by telephone, it is logical to conclude that the registered trademark at issue is similar in appearance to the previously registered trademark.

2. The defendant argues that the text element “DB” of the trademark is a simple and common element, broadly recognized as an abbreviation for terms like “database” or “decibel.” The defendant further asserts that given this element’s extensive use by numerous companies as a trade name or identifier, it would be inappropriate to grant exclusive rights to a particular person, consequently taking the shape element as a key aspect of this trademark.

However, the mere fact that a trademark is simple and common only implies it lacks distinctiveness to be registered as a trademark by itself, but this does not mean it lacks distinctiveness when combined with other elements. Consequently, a perceived lack of distinctiveness in a partial element cannot lead to its exclusion from the comparison when determining similarities of trademarks. In this case, it is challenging to assert that the shape element possesses outstanding distinctiveness compared to the text element in relation to designated goods, considering its shape. It is also not feasible to derive a distinct title or concept from the shape element alone. Meanwhile, the text element can be easily referenced, considering the level of English proficiency among general consumers in Korea, and it cannot be asserted that the text element has relatively lower or zero distinctiveness in relation to designated goods, such as cosmetics and soap. In light of these circumstances, it is inappropriate to conclude that the text element of the two marks is less distinctive than the shape element.

3. It is reasonable to conclude that the designated goods of the registered mark at issue, “shampoo and natural soap,” and the designated goods of the previously registered mark,

“human body soap and water soap,” are similar in that they are types of products used for body cleaning, with the producers and consumers of each product being almost the same under trade norms. Additionally, the remaining designated goods of the registered mark at issue, which include ‘cosmetic products’ for beauty purposes and non-medical creams for skin protection, are manufactured in production facilities and are widely sold not only in specialized cosmetic stores but also in general stores. Furthermore, these products can be considered identical or similar to the “cosmetic products” among designated goods of the previously registered mark as they are easily purchased by anyone for non-medical skin improvement or beauty purposes. In conclusion, the designated goods of the registered mark at issue are identical and similar to those of the previously registered mark.

Case on BeC

(Second Division) IP High Court Decision 2022Heo2745, decided December 2, 2022

Subject Matter

[Trademark (Application)]



Administrative Decision

IPTAB Decision 2020Won2548, decided February 17, 2022

Category

Invalidation of Registration (Trademark right)

Reference Provision

Article 34(1)(vii) of the Trademark Act

Reference Decision

Supreme Court Decisions 2010Da20778, decided December 27, 2017; 2015Hu1690, decided February 9, 2017; and 2016Hu2447, decided March 15, 2017

Issue at Hand

A case that held that an internationally registered mark did not fall under Article 34(1)(vii) of the Trademark Act in relation to previously registered marks 1 and 2


Case Overview and Issues




The plaintiff filed an action to cancel the rejection of the registration for the internationally registered mark at issue. However, the Korean Intellectual Property Trial and Appeal Board (hereinafter, the “IPTAB”) rejected the plaintiff’s petition on the grounds that “the internationally registered mark at issue is similar in appearance to the previously registered marks 1 and 2, and the designated goods are the same or similar, thus falling under Article 34(1)(vii) of the Trademark Act.”



Summary of Decision

The administrative decision was revoked.

1. Whether the mark falls under Article 34(1)(vii) of the Trademark Act

The element “” of the internationally registered mark at issue has a relatively low degree of distinctiveness in light of its plain typeface, its small proportion, the fact that its meaning is readily recognized by domestic users and is frequently used for the trade, and the fact that it is likely to be recognized as indicative of the nature of the designated goods.

On the other hand, although the “” element is in English, it is a key aspect due to relatively high distinctiveness for the following reasons: It creates a strong impression due to its pictorial nature; occupies a significant portion; corresponds to a coined term unrelated to the designated goods (aromatics [essential oils], balms other than for medical purposes, hair conditioners, etc., of Class 3 of the Goods Classification); is difficult to consider as inseparably combined with the “” element, especially since only the above element is used in social media; and is challenging to recognize that the “” element has become well-known in Korea.

In conclusion, the key aspects of the internationally registered mark at issue and previously registered marks 1 (“”) and 2 (“”) differ in appearance, name, and concept, and thus cannot be considered similar to previously registered marks 1 and 2, leading to the conclusion that the internationally registered mark at issue does not fall under Article 34(1)(vii) of the Trademark Act.

Case on arbonobra

(First Division) IP High Court Decision 2022Heo5652, decided June 22, 2023

Subject Matter	[Trademark right] arbonobra
Administrative Decision	IPTAB Decision 2021Dang2067, decided October 5, 2022
Category	Invalidation of Registration (Trademark right)
Reference Provision	Article 34(1)(vii) of the Trademark Act
Reference Decision	Supreme Court Decision 2015Hu1690, decided February 9, 2017

Issue at Hand

A case that held that the key aspect of the registered mark at issue (^{arbonobra} 아르보노브라) is the “arbo” or “arbono” element in relation to the designated goods, concluding that it is difficult to compare its concept with the previously registered marks (아르보, 아르보), but considering that they are similar in appearance and have the identical or similar names to the extent that they are deemed similar

Case Overview and Issues

The defendant filed a petition with the Korean Intellectual Property Trial and Appeal Board (hereinafter, the “IPTAB”) for the invalidation of the registered mark at issue, claiming that it falls under Article 34(1)(vii) of the Trademark Act due to its identity and similarity to previously registered marks and the designated goods. The IPTAB accepted the petition on the grounds that the mark indeed falls under Article 34(1)(vii) of the Trademark Act in relation to


previously registered marks.

The plaintiff argued that the mark at issue, combining the words “arbon” and “nobra,” is designed symmetrically around the central “n,” without a distinct key aspect, which leads the average consumer to perceive the text element “arbonobra” as an integrated whole. They further argued that even if this were not the case, the “bra” element of the mark at issue, being commonly associated with women’s underwear, is less distinctive, making the “arbono” element the key aspect of the mark. Consequently, they maintained the mark at issue is not similar to previously registered marks.

Summary of Decision

The claim was dismissed.

The “bra” element of the registered mark at issue (^{arbonobra}아르보노브라) is less or non-distinctive, as it simply indicates a generic name for the designated goods like “underwear” and “clothing.” Similarly, the “nobra” element is also less or non-distinctive, as it indicates its nature related to these goods. In contrast, the “arbo” or “arbono” element of the mark at issue does not intuitively evoke such associations with the designated goods, making it difficult to deem it less distinctive. Moreover, there is no substantial difference in distinctiveness between the “arbo” and “arbono” elements, allowing either element to be considered a key aspect of the mark. Therefore, it is reasonable to conclude that either “arbo” or “arbono” is the key aspect of the mark in relation to the designated goods.

Although the registered mark at issue and the previously registered marks (, 아르보) are not conceptually comparable, they bear similarity in appearance and either share the same name (if “arbo” is considered the key aspect of the registered mark at issue) or are similar (if “arbono” is considered the key aspect). The use of the registered mark at issue on

the designated goods identical or similar to those of the previously registered mark could lead to public confusion or misrepresentation of the source of the goods. Consequently, the registered mark at issue is deemed similar to the previously registered marks.

The designated goods of the registered mark at issue, specifically “clothing” and “underwear,” encompass the range of designated goods covered by the previously registered marks, which include “girdles, nightgowns, bras, thermal underwear, underpants, underwear shirts, slips, sleepwear, camisoles, corsets, pajamas,” etc. Therefore, the designated goods of both marks are similar.

Given that the registered mark at issue bears similarity in marks and designated goods to the previously registered marks, it falls under Article 34(1)(vii) of the Trademark Act and should be invalid. Thus, the judgment in this case is justifiable.

Case on CARRIE

(First Division) IP High Court Decision 2023Heo10354, decided July 6, 2023

Subject Matter	[Trademark right] CARRIE
Administrative Decision	IPTAB Decision 2022Dang2151, decided January 3, 2023
Category	Invalidation of Registration (Trademark right)
Reference Provision	Article 34(1)(vii) of the Trademark Act
Reference Decision	Supreme Court Decision 2015Hu1690, decided February 9, 2017

Issue at Hand

A case that held that the registered mark at issue is not similar to the previously registered marks, based on the findings that they are not similar in appearance, their names such as “Carrie” or “Kari” and “Kaylee” or “Cree” are distinctly different, and consequently, their concepts are incomparable

Case Overview and Issues



1. The plaintiff filed an action with the Korean Intellectual Property Trial and Appeal Board (hereinafter, the “IPTAB”) seeking the invalidation of the registered mark at issue, arguing that the mark at issue was similar to previously registered marks. However, the IPTAB dismissed this petition on the grounds that the registered mark at issue and the previously registered marks

were not similar.

2. The plaintiff argued that the registered mark at issue and the previously registered marks are similar when referred to or conceptually perceived as ‘Carrie,’ as the registered mark at issue, referred to as “Carrie” or “Kari,” and the previously registered marks, recognized as “Kari” and also referred to as “Carrie” or “Kari,” bear a resemblance to each other.




Summary of Decision

The claim was dismissed.

The key aspect of the registered mark at issue is “” while that of the previously registered mark 2 is “.” The mark at issue and the previously registered marks are not identical or similar in their appearance.

Registered mark at issue	Previously registered mark 1	Previously registered mark 2
		

The registered mark at issue, identified by its key aspect as “Carrie” or “Kari,” contrasts with the previously registered marks, which are all recognized as “K RI” and referred to as ‘Kaylee’ or “Cree.” Consequently, the registered mark at issue and the previously registered marks are neither identical nor similar in name. Additionally, while the mark at issue is commonly perceived as a nickname for a female name, the previously registered marks 1 and 2 do not create such perception as a coined term. Therefore, the concepts of the mark at issue and the previously registered marks are not comparable.

The plaintiff argues that consumers would recognize the “” element in the previously registered marks as the letter ‘A’ due to its overall identical shape. However, there are key differences: (1) The “” element is significantly larger than the other letters; (2) Its shape diverges from the traditional letter “A,” with its top and bottom disconnected and an inner pillar shape () that does not meet at both ends; (3) Its overall form suggests a mountain rising, a standing rocket, or an airplane. Given these characteristics, it is more likely that the general consumers will perceive this design as depicting a mountain or similar images, rather than as the letter “A.”

The registered mark at issue is neither identical nor similar in appearance or name to the previously registered marks, and their concepts are incomparable. Consequently, it cannot be concluded that the mark at issue is identical or similar to the previously registered marks. In conclusion, the mark at issue does not satisfy the criteria for invalidity as stipulated in Article 34(1)(vii) of the Trademark Act. Accordingly, the IPTAB decision should be upheld.

06. Article 34(1)(xiii) of the Trademark Act

Case on Tuya smart

(Third Division) IP High Court Decision 2022Heo2615, decided January 12, 2023



Subject Matter	투야스마트 [Trademark right] Tuya smart
Administrative Decision	IPTAB Decision 2020Dang1070, decided February 9, 2022
Category	Invalidation of Registration (Trademark right)
Reference Provision	Article 34(1)(xiii) of the Trademark Act
Reference Decision	Supreme Court Decision 2011Hu3896, decided May 9, 2013

Issue at Hand

A case that held that the plaintiff's prior-used trademarks were widely known to consumers in China as a source of the plaintiff's goods or services at the time of the application for the registered mark at issue, in consideration of published media articles about the plaintiff's sales and investment activities, awards, and enterprise value

Case Overview and Issues

Defendant's registered mark at issue	
Application Date/Registration Decision Date/Registration Number: November 5, 2018/August 14, 2019/No. 1517469	투야스마트 Tuya smart

Plaintiff's prior-registered marks			
1		3	
2	Tuya Smart		

On April 2, 2020, the plaintiff filed a petition with the Korean Intellectual Property Trial and Appeal Board (hereinafter, the “IPTAB”) for the invalidation of the registered mark at issue. However, on February 9, 2022, the IPTAB dismissed the plaintiff’s petition, concluding that the prior-used trademarks were not widely recognized among consumers in China as a source of the plaintiff’s goods (services) at the time of the application for the registered mark at issue.

Summary of Decision

The administrative decision was revoked.

1. Whether prior-used trademarks were known as a source to indicate a particular person at the time of application for the registered mark at issue (Positive)

- In consideration of the plaintiff’s primary business focus, companies such as the defendant, which manufacture products equipped with communication devices for the Internet of Things and designed to facilitate communication between objects, are regarded as consumers of the plaintiff’s goods (services).

- Due to continuous media coverage of the plaintiff’s collaborations with renowned companies, attraction of substantial investments, participation in exhibitions, and receipt of awards, the plaintiff has gained considerable publicity and is likely to be widely recognized by consumers.

- It should be noted that although Forbes, Deloitte, Facebook, and others identified the plaintiff as a company to keep an eye on in 2019, these recognitions were based on data that

predates the filing of the registered mark at issue.

2. Identity and similarity between the registered mark at issue and the prior-used trademarks (acknowledged)

The registered mark at issue bears a resemblance in appearance to Prior-Registered Mark 3 and is identical in name, with the sole distinctions being the inclusion of “투야스마트,” which is the Korean transliteration of “Tuya Smart,” and an added wavelength-shaped design, suggestive of an antenna, to the right top of the English letter “T.” However, the terms “투야스마트” and “Tuya Smart” are simply a coined term, making a conceptual comparison with Prior-Registered Mark 3 challenging. Consequently, while the registered mark at issue is similar in appearance to Prior-Registered Mark 3 and the concepts are incomparable, the mark is identical in name, thereby qualifying it as a similar mark.

3. Unlawful purpose (acknowledged)

- At the time of the application for the registered mark at issue, the prior-used trademarks were already known to consumers in China as indicators of the source of the plaintiff’s goods or services. Given this, it is reasonable to assume that the defendant, being active in the relevant industry, would have also been aware of these prior-used trademarks.

- There are similarities in the appearance and arrangement of the ‘a’ element of the design and the design resembling an antenna in both the registered mark at issue and prior-used trademarks 1 and 2.

- Many of the designated goods for the registered mark at issue and the products used with the prior-used trademarks are either identical or similar, or they are recognized to have an economic relationship.

- There is no connection between the plaintiff’s previous business activities (using the trade

name 'SONOFF') and the trademark application using the text 'Tuya Smart.' Apart from the plaintiff's opening of an online board under the name 'SONOFF & TUYA SMART,' there is no evidence of the plaintiff preparing for business using the registered mark at issue.

Case on JBC Jongno-bookstore Book Cafe

(Third Division) IP High Court Decision 2022Heo1216, decided December 15,

2022

Subject Matter	[Trademark right] JBC 종로서적 북카페
Administrative Decision	IPTAB Decision 2020Dang3497, decided December 21, 2021
Category	Invalidation of Registration (Trademark right)
Reference Provision	Article 34(1)(xiii) of the Trademark Act
Reference Decision	Supreme Court Decision 2020Hu11431, decided December 30, 2021

Issue at Hand

1. Whether the name of the trademark right holder or user must be specifically known to be recognized as “a trademark recognized as indicating the goods of a specific person” (Negative)
2. A case that held that a prior-used service mark falls within the definition of “a trademark recognized as indicating the goods of a specific person” under Article 34(1)(xiii) of the Trademark Act as long as it is recognized by domestic consumers as a service mark from the same and consistent source of “old Jongno Bookstore”

Case Overview and Issues

Registered mark at issue	Prior-used service mark and previously registered service mark	
Application Date/Registration Decision Date/Registration Date/Registration No: November 5, 2018/August 14, 2019/September 4, 2019/No. 1517469 	1	
	2	
	3	

Jongno Bookstore (hereinafter, “Old Jongno Bookstore”) was the first modern bookstore in South Korea, opened in 1907 at 66 Jong-ro, Jongno-gu, Seoul. It operated for about 95 years before closing in 2002. The plaintiff, established on October 26, 2016, is a company engaged in book sales (wholesale and retail), consignment business, and bookstore operations. Starting from the end of the same year, the plaintiff has been running a bookstore under the trade name “Jongno Bookstore” (hereinafter referred to as “New Jongno Bookstore”). The plaintiff filed a petition with the Korean Intellectual Property Trial and Appeal Board (hereinafter, the “IPTAB”) on November 22, 2020, to invalidate the registration of the service mark at issue, but the IPTAB rejected this petition on December 21, 2021, on the grounds that the registered service mark at issue does not fall under Articles 34(12) and 34(13) of the Trademark Act.

Summary of Decision

The administrative decision was revoked.

1. Whether the prior-used service mark is recognized as indicating the goods of a particular person (Positive)

The defendant argues that even if the prior-used service mark is recognized by domestic consumers as the service mark of Old Jongno Bookstore, the familiarity of the prior-used service mark acquired by Old Jongno Bookstore did not transfer to the plaintiff, which was established only after the closure of Old Jongno Bookstore. Furthermore, since the prior-used service mark is not recognized as indicating the services of the plaintiff, it does not correspond to “a trademark” recognized by domestic consumers as “indicating the goods of a specific person.”

However, a qualification “a trademark recognized as indicating the goods of a specific person,” as stipulated in Article 34(1)(xiii) of the Trademark Act, does not require any other qualifications than being recognized as coming from a “consistent and identical source.” It does not necessarily require the name of a right holder or user to be specifically known. Therefore, as long as the prior-used service mark is recognized by domestic consumers as the service mark of “Old Jongno Bookstore,” a consistent and identical source, it falls under the category of “a trademark recognized as indicating the goods of a specific person” as stipulated in Article 34(1)(xiii) of the Trademark Act. The defendant’s argument in this regard cannot be accepted.

2. Unlawful purpose (acknowledged)

Considering the following facts and circumstances, it is reasonable to conclude that the plaintiff had an unfair purpose, such as imitating the prior-used service mark known among domestic consumers as indicating the source of a specific person at the time of the application of the service mark at issue, thereby unfairly benefiting from the business credibility embodied in the prior-used service mark.

- The service mark at issue bears substantial similarity to the prior-used service mark that was widely known among domestic consumers at the time of its application. Additionally, a “book café” is generally operated as part of a bookstore or similar establishment, where a

section is designed as a café and food and beverages are sold. Therefore, when the service mark at issue is used in its designated service industry, “book café business,” it can be considered to bear similarity in forms and content to the book sales business where the prior-used service mark was used.

○ The defendant could easily obtain a large amount of information regarding Old Jongno Bookstore and New Jongno Bookstore established by the plaintiff at the time of the application of the service mark at issue. Consequently, it appears that the defendant imitated the prior-used service mark during the application process of the service mark at issue. The reasons are as follows:

(1) After signing a contract with the plaintiff to perform store development related to New Jongno Bookstore and receiving a certain fee for it, the defendant performed the tasks according to the contract; (2) While serving as an in-house director of the plaintiff, the defendant applied for the service mark at issue under their own name; (3) The CEO of the plaintiff emphasized the promotional activities to publicize the fact that “New Jongno Bookstore is a restoration of Old Jongno Bookstore,” and this information was shared with the defendant; (4) At the end of 2016, around the time the plaintiff opened New Jongno Bookstore, numerous articles were published in the media stating that Old Jongno Bookstore was being revived or that the New Jongno Bookstore was its successor; and (5) The defendant’s company pursued a franchise business for ‘Jongno-bookstore Book Café.’

07. Article 34(1)(xx) of the Trademark Act

Case on Baro Hospital


(Fourth-One Division) IP High Court Decision 2022Heo3212, decided February 15, 2023

Subject Matter	[Trademark right] 바로병원
Administrative Decision	IPTAB Decision 2021Dang567, decided April 15, 2022
Category	Invalidation of Registration (Trademark right)
Reference Provision	Article 34(1)(xx) of the Trademark Act
Reference Decision	Supreme Court Decisions 2019Hu10739, decided September 3, 2020; 2020Hu10827, decided November 5, 2020; 86Daka2951, decided June 23, 1987; 95Da22511 and 22528, decided October 14, 1997; and 98Da54458, decided March 12, 1999

Issue at Hand

1. Whether the rights to obtain trademark registration for prior-used trademarks belong to the joint property based on a partnership agreement (Positive)
2. A case that held that the rights were attributed to the defendant, a remaining member of the partnership, following the withdrawal (death) of a deceased member, and it was determined that the defendant has been controlling and managing the use of the prior used trademarks after the death of the deceased

Case Overview and Issues

Registered Mark at Issue	Prior-Registered Mark 1	Prior-Registered Mark 2
바로병원	바로병원	

1. The defendant filed an action to invalidate trademark registration against the plaintiffs (trademark right holders), arguing that the registered trademark at issue falls under Articles 33(1)(iii), 33(1)(vii), 34(1)(iv), 34(1)(vii), and 34(1)(xx) of the Trademark Act. The Korean Intellectual Property Trial and Appeal Board (hereinafter, the “IPTAB”) accepted the defendant’s petition on the grounds that the registered trademark at issue falls under Article 34(1)(xx) of the Trademark Act.

2. In this revocation action of the administrative decision, the defendant argued the following reasons to invalidate trademark registration: (1) ‘Baro Hospital’ (hereinafter referred to as ‘the Hospital at issue’) was operated as a joint business by the deceased (hereinafter referred to as ‘the deceased’) and, after his death, solely by the defendant while using the prior-used trademarks. Also, after the death of the deceased, the defendant settled the share of the deceased’s inheritance with the plaintiffs who were the heirs; (2) However, the plaintiffs, knowing that the prior-used trademarks were being used by the defendant, applied for and obtained registration of the trademark at issue with a similar mark under identical and similar designated goods; (3) Therefore, the registered trademark at issue falls under Article 34(1)(xx) of the Trademark Act, and its registration should be invalidated.

3. In response, the plaintiffs argued that the deceased solely owned the rights to the prior-used

trademarks and merely permitted the defendant to use them while operating their joint business. They also claimed that the plaintiffs, who inherited the rights to the prior-used trademarks from the deceased, did not transfer those rights to the defendant at the time of the settlement.

Summary of Decision

The claim was dismissed.

1. The contractual relationship between the defendant and the deceased based on the partnership agreement to jointly operate the Hospital at issue corresponds to a partnership under the Civil Act. The deceased was automatically withdrawn from this partnership relationship upon death, and there is no provision in the partnership agreement stating that the heirs inherit the position of a partner in the event of a partner's death. Therefore, the position of the deceased as a member of the partnership is not inherited by the plaintiffs, who are the heirs, and the property of the partnership based on the partnership agreement in this case belongs solely to the remaining member, the defendant.

2. Then, a crucial issue, in this case, is identifying who had been using the prior-used trademarks until the deceased's withdrawal after the establishment of the partnership agreement, that is, whether the right holder eligible for trademark registration of these prior-used trademarks is the deceased as the plaintiffs claim, or both the deceased and the defendant as the defendant claims. This essentially boils down to whether these rights belong to the joint property based on the partnership agreement. Considering the facts recognized by the evidence and the circumstances, it is reasonable to conclude that the right to obtain trademark registration for the prior-used trademarks belonged to the joint property based on the partnership agreement, and following the withdrawal of the deceased, these rights were rightfully attributed to the defendant.

3. Since the defendant has been operating the Hospital at issue alone using the prior-used trademarks after the death of the deceased, it is reasonable to conclude that the defendant has been the one who controls the use of these trademarks and manages the hospital business that uses them. Moreover, it is reasonable to assume that the plaintiffs were aware, at the time the partnership agreement was concluded or at least when they entered into the settlement agreement with the defendant, that the defendant was using the prior-used trademarks while operating the Hospital at issue. Additionally, there is no dispute between the parties that the registered trademark at issue is similar to each of the prior-used trademarks, and the designated goods of the registered trademark at issue are identical or similar to the goods used with the prior-used trademarks.

4. In consideration of the aforementioned circumstances, it is reasonable to conclude that the plaintiffs knew that the prior-used trademarks were being used by the defendant through the contractual relationship of the settlement agreement in this case and still applied for registration of the registered trademark at issue for identical or similar goods. Therefore, the registered trademark at issue has a reason for invalidation of trademark registration as stipulated in Article 34(1)(xx) of the Trademark Act.

08. Similarities of Trademarks

Case on cocod'or



(Third Division) IP High Court Decision 2020Heo1212, decided June 22, 2023

Subject Matter	[Trademark right] c o c o d ' o r
Administrative Decision	IPTAB Decision 2019Dang1273, decided December 3, 2019
Category	Invalidation of Registration (Trademark right)
Reference Provision	Articles 34(1)(vii), 34(1)(xii), and 34(1)(xiii) of the Trademark Act
Reference Decision	Supreme Court Decisions 2005Hu2977, decided May 15, 2008, and 2005Hu1134, decided November 9, 2006

Issue at Hand

A case that held that the “coco” element of the plaintiff’s registered trademark **c o c o d ' o r** does not correspond to the key aspect that independently performs the function of indicating the source of the goods, necessitating recognition of the trademark in its entirety as “cocod’or,” and as the mark and previously registered mark **COCO** should be compared as a whole, whereas these marks are determined to be dissimilar to each other upon comparison

Case Overview and Issues

Plaintiff's registered mark at issue	Defendant's previously registered mark
Registration Number/Application Date/Registration Date: No. 1333843/December 15, 2016/February 23, 2018	Registration Number/Application Date/Registration Renewal Date: No. 59639/ March 7, 1978/January 17, 1979/November 8, 2018
	

On April 23, 2019, the defendant filed an action with the Korean Intellectual Property Trial and Appeal Board (hereinafter, the “IPTAB”) seeking to invalidate the registered mark at issue. On December 3, 2019, the IPTAB issued a decision in favor of the defendant’s petition, on the grounds that the “coco” element of the registered mark at issue is a key aspect and that when compared based on this, the mark is similar in both its mark and designated goods to the previously registered mark, thus corresponding to the grounds for invalidation under Article 34(1)(vii) of the Trademark Act.

Summary of Decision

The administrative decision was revoked.

1. Whether the “coco” element of the registered mark at issue is the key aspect (Negative)

- The registered mark at issue is composed of “coco” and “d’or” written in the same typeface, without any spacing between them, resulting in the words “coco” and “d’or” being visually inseparable.

- The word “d’or” combines “de,” meaning “of,” and “or,” meaning “gold” in French, which together translates to “golden.” Given the limited understanding of French in Korea, it is

difficult for general consumers to recognize its meaning easily. Therefore, it is natural for average consumers to perceive “cocod’or” as a single entity, rather than separating it into “coco” and “d’or,” especially when displayed without spaces in the same typeface.

- The name of the registered mark at issue “cocod’or” comprises only four syllables (transliterated as “kokodor” in Korean), with the two-syllable “coco” element not having a significant weight compared to the two-syllable “d’or” element. Therefore, it is reasonable to assume that average consumers would naturally refer to the mark as “cocod’or.”

- Additionally, it is difficult to conclude that “coco” element of the registered mark at issue is more distinctive than “d’or” element for the following reasons:

- While it is acknowledged that the previously registered mark is widely recognized and has achieved substantial sales in Korea, being advertised through various media, it is also noted that the defendant’s advertisements and products prominently display the trade name “CHANEL” alongside the previously registered mark. Therefore, it cannot be concluded that the previously registered mark, consisting solely of “coco” without the “CHANEL” mark, is widely recognized by consumers independently.

- It is recognized that the word “d’or” is employed in the part of product names or color names of some cosmetics and perfumes, and that products like air fresheners, aroma oils, and diffusers often contain a distinctly yellowish liquid. However, given that only three air freshener products feature “d’or” in their names, it is difficult to conclude that “d’or” is commonly associated with the “gold” color in air fresheners. Similarly, it cannot be inferred that air fresheners, aroma oils, diffusers, and similar products are generally yellow in color.

- Therefore, when the “d’or” element is used in air fresheners, aromas, diffusers, etc., which are among the designated goods of the registered mark at issue, it is unreasonable to believe that the general public would intuitively understand it as indicating its nature (color) or raw materials.

2. Whether the registered mark at issue is similar to the previously registered mark (Negative)

The registered mark at issue and the previously registered mark differ in appearance due to their distinct text elements and typefaces. Additionally, the registered mark at issue is referred to as “cocod’or,” while the previously registered mark is known as “coco,” indicating different names. Furthermore, these two marks do not form a distinct concept and cannot be compared conceptually. In conclusion, the registered mark at issue and the previously registered mark do not bear similarity.

Case on Hyundai Connect

(Third Division) IP High Court Decision 2022Heo5881, decided July 14, 2023

Subject Matter	[Trademark right] Hyundai Connect
Administrative Decision	IPTAB Decision 2020Dang3136, decided September 28, 2022
Category	Invalidation of Registration (Trademark right)
Reference Provision	Article 34(1)(vii) of the Trademark Act
Reference Decision	IP High Court Decision 2006Heo8620, decided December 29, 2006, and IP High Court Decision 2018Heo4355, decided September 21, 2018

Issue at Hand

1. Determination criteria of Article 34(1)(vii) of the Trademark Act
2. A case that held that when recognizing the trade name and trademark of a company belonging to a large business group, it is normal for ordinary consumers or traders to recognize a mark that combines the name of a large business group with a name indicating the business of an individual company as the trade name and trademark of that company, thus comparing the two marks containing “Hyundai” in their entirety

Case Overview and Issues

The plaintiff filed an action for invalidation of trademark registration against the defendant, arguing that “the registered mark at issue falls under Article 34(1)(vii) of the Trademark Act in relation to previously registered marks (‘**HYUNDAI**’), and thus the registration should be

invalidated.” However, the Korean Intellectual Property Trial and Appeal Board (hereinafter, the “IPTAB”) rejected the plaintiff’s claim on the grounds that “the registered mark at issue does not fall under Article 34(1)(vii) of the Trademark Act as it is not similar in appearance to the previously registered marks.”

Summary of Decision

The claim was dismissed.

1. Determination criteria of Article 34(1)(vii) of the Trademark Act

For a trademark to be considered “similar” to correspond to Article 34(1)(vii) of the Trademark Act, it means that although two trademarks are not identical, they are similar in appearance, name, and concept to the extent that when used on the same or similar goods, the general public or consumers might be misled into believing that their sources are the same. Additionally, the judgment of whether trademarks are similar is a normative judgment made for the purpose of enforcing the Trademark Act, such as deciding on trademark registration, as well as a legal evaluation considering the essential function of a trademark, “confusion of the source.” Therefore, beyond comparing the two trademarks in terms of appearance, name, and concept, the judgment should ultimately be based on “whether there is confusion about the source of the goods” to general consumers or traders.

2. Identity and similarity between the registered mark at issue and the previously registered mark

At the time of the trademark registration decision for the trademark at issue, the mark “Hyundai” was widely known as a name referring to the Hyundai Group and its affiliates. Generally, consumers and traders recognize the name of a large business group combined with

a name indicating the business of an individual company as the trade name and trademark of that company when recognizing the name and trademark of the company affiliated with a large business group. Currently, many companies affiliated with the Hyundai Group use trademarks in various industries that combine “Hyundai” with a name indicating their specific business. Therefore, it is usual for general consumers to distinguish the source of the entire mark, especially when “현대,” “HYUNDAI,” or “Hyundai” is included in the mark. The legal principle of observing key aspects aims to protect the trademark right holder who has accumulated credibility in a well-known or famous trademark while simultaneously protecting the interests of general consumers or traders, i.e., the public interest, in relation to credibility embodied in the trademark. However, the trademark right holder at issue has no relation to the Hyundai business group and is not engaged in business activities that show the credibility embodied in the “HYUNDAI” or “Hyundai” mark recognized by general consumers and traders. Therefore, applying the legal principle of “comparison by essential parts” directly in such a case does not align with the fundamental reason for adopting this principle. In determining whether the registered mark at issue falls under Article 34(1)(vii) of the Trademark Act in relation to the previously registered mark, it is appropriate to compare the trademarks as a whole.

In conclusion, when observed as a whole, the appearance, name, and concept of both trademarks are not similar, and consequently, both marks should not be considered similar.

09. Similarities of Goods (Services)

Case on DB

(Fourth-Two Division) IP High Court Decision 2022Heo2684, decided December 28, 2022

Subject Matter

[Trademark right]



Administrative Decision

IPTAB Decision 2020Dang2382, decided February 24, 2022

Category

Invalidation of Registration (Trademark right)

Reference Provision

Article 34(1)(vii) of the Trademark Act

Reference Decision

Supreme Court Decisions 2005Hu3284, decided September 6, 2007, and 2003Hu1086, decided August 19, 2005

Issue at Hand

1. Similarities of the trademark
2. Similarities of the goods




Case Overview and Issues

The plaintiff filed an action to invalidate the trademark registration against the defendant (trademark right holder), claiming that the registered trademark at issue falls under Articles 34(1)(vi), 34(1)(vii), 34(1)(xi), and 34(1)(xii) of the Trademark Act. However, the Korean Intellectual Property Trial and Appeal Board (hereinafter, the “IPTAB”) rendered a decision to reject the plaintiff’s petition on the grounds that: (1) the registered trademark does not fall under Article 34(1)(vi) of the Trademark Act, as it is difficult to consider “DB” as an

abbreviation of a well-known trade name; (2) it does not fall under Articles 34(1)(vii) and 34(1)(xii) of the same Act, as it is difficult to consider that the mark is similar to a previously registered or used trademark; and (3) it does not fall under Article 34(1)(xi) of the same Act, since the previously registered or used trademark is not a famous trademark.

Summary of Decision

The administrative decision was revoked.

Registered trademark by the defendant	Previously registered trademark by the plaintiff	Previously used trademarks
		

1. (1) The text element of both trademarks “DB” is identical, although they differ in font and color. Additionally, the shape element of the marks varies in color, type, and size, making it challenging to declare their appearances identical or similar. (2) It is difficult to extract a unique concept from the shape element of the trademarks. Furthermore, there is also no evidence suggesting that “DB” is used in the designated goods industry, such as cosmetics and soap, with a special significance, leading to comparing the concept of these trademarks problematic. (3) Each shape element appears difficult to be identified by a specific name, based on its composition or shape. However, considering the general English proficiency of consumers and traders in Korea, the text element of both trademarks is likely to be recognized as ‘dibi (the Korean pronunciation for DB).’ Therefore, it is reasonable to conclude that the names of these two marks are identical.

Given the current widespread use of promotional media, such as advertisements and telephones, where trademarks are often publicized through auditory means and orders for goods

are commonly made by telephone, it is logical to conclude that the registered trademark at issue is similar in appearance to the previously registered trademark.

2. The defendant argues that the text element “DB” of the trademark is a simple and common element, broadly recognized as an abbreviation for terms like ‘database’ or ‘decibel.’ The defendant further asserts that given this element’s extensive use by numerous companies as a trade name or identifier, it would be inappropriate to grant exclusive rights to a particular person, consequently taking the shape element as a key aspect of this trademark.

However, the mere fact that a trademark is simple and common only implies it lacks distinctiveness to be registered as a trademark by itself, but this does not mean it lacks distinctiveness when combined with other elements. Consequently, a perceived lack of distinctiveness in a partial element cannot lead to its exclusion from the comparison when determining similarities of trademarks. In this case, it is challenging to assert that the shape element possesses outstanding distinctiveness compared to the text element in relation to designated goods, considering its shape. It is also not feasible to derive a distinct title or concept from the shape element alone. Meanwhile, the text element can be easily referenced, considering the level of English proficiency among general consumers in Korea, and it cannot be asserted that the text element has relatively lower or zero distinctiveness in relation to designated goods, such as cosmetics and soap. In light of these circumstances, it is inappropriate to conclude that the text element of the two marks is less distinctive than the shape element.

3. It is reasonable to conclude that the designated goods of the registered mark at issue, ‘shampoo and natural soap,’ and the designated goods of the previously registered mark, ‘human body soap and water soap,’ are similar in that they are types of products used for body

cleaning, with the producers and consumers of each product being almost the same under trade norms. Additionally, the remaining designated goods of the registered mark at issue, which include 'cosmetic products' for beauty purposes and non-medical creams for skin protection, are manufactured in production facilities and are widely sold not only in specialized cosmetic stores but also in general stores. Furthermore, these products can be considered identical or similar to the 'cosmetic products' among designated goods of the previously registered mark as they are easily purchased by anyone for non-medical skin improvement or beauty purposes. In conclusion, the designated goods of the registered mark at issue e are identical and similar to those of the previously registered mark.

10. Cancellation of the Trademark

Case on Spicy Tteokbokki

(Third Division) IP High Court Decision 2022Heo1933, decided January 17, 2023

Subject Matter

[Trademark right]



Administrative Decision

IPTAB Decision 2019Dang3921, decided
December 30, 2021

Category

Cancellation of Registration (Trademark right)

Reference Provision

Article 119(1)(iii) of the Trademark Act

Reference Decision

Supreme Court Decisions 2005Hu1905, decided
June 14, 2007, and 2000Ma4424, decided
November 13, 2002

Issue at Hand

1. Whether the act of registering an information disclosure statement indicating the mark with the Korea Fair Trade Commission falls under the category of the trademark “use,” as stipulated in Article 2(1)(xi) of the Trademark Act (Negative)
2. Whether an act of providing the applicable information disclosure statement to the party who concluding a franchise agreement falls under the category of the trademark “use” (Negative)
3. The case held that the defendant’s act of displaying the actually used trademark 1, recognized as identical to the registered mark at issue, in the information disclosure statement about the franchise headquarters and registering it with the Korea Fair Trade Commission, along with an act of providing this information disclosure statement to the contractual party A, who signed a franchise agreement with the defendant, not considered as “use of a trademark,” as stipulated Article 2(1)(xi) of the Trademark Act, thereby leading to the conclusion that the actually used

trademarks 2 to 7 used by the defendant were not recognized as identical to the registered service mark at issue

Case Overview and Issues

Defendant's actually used trademarks					
1		4		5	
2					
3					
6		7			

On December 9, 2019, the defendant filed a petition with the Korean Intellectual Property Trial and Appeal Board (hereinafter, the “IPTAB”) seeking to cancel trademark registration (Registration Number/Application Date/Registration Date: No. 48955/May 29, 2013/April 9, 2014). Subsequently, on January 3, 2022, the IPTAB issued a decision dismissing the plaintiff’s petition on the grounds that “the actually used trademarks 4, 6, and 7, which is deemed identical to the registered mark at issue, are used, and it is unreasonable to conclude that the defendant’s use of the registered mark at issue caused consumers to be misled or confused as to the source of the service.”

Summary of Decision

The administrative decision was revoked.

1. Whether the defendant's act of registering the information disclosure statement identifying the actually used trademark 1 with the Korea Fair Trade Commission falls under the category of the trademark "use" under Article 2(1)(xi) of the Trademark Act (Negative)

- The defendant's registration of the information disclosure statement with the Korea Fair Trade Commission is a mandatory obligation under the Franchise Business Act and merely aims to provide information about the status of the franchiser, enabling prospective franchisees to assess the franchisor's reliability.



- Displaying the registered service mark at issue on the information disclosure statement is not intended to indicate the source of the goods or services.

- Since the Korea Fair Trade Commission is not a party to the transaction, the information disclosure statement registered with the Korea Fair Trade Commission does not constitute a "transaction document" as defined in Article 2(1)(vi) of the Trademark Act.

2. Whether an act of providing the information disclosure statement to the contractual party A corresponds to "trademark use" (Negative)

- The information disclosure statement alone does not constitute the content of a franchise agreement. Moreover, the franchise agreement written by the defendant and the contractual party A specifies the fact that it authorizes the use of the actually used trademark 2, but it does not state granting the right to use the actually used trademark 1.

3. Whether the registered trademark at issue is similar to the previously registered marks

- The "辛萬龍" element and the design element ( , ) of the registered service mark at issue are likely to attract the attention of ordinary consumers or traders and make a strong impression on them. Consequently, omitting these parts would alter the elements that

are prominently recognized by ordinary consumers or traders. On the other hand, the Korean text “매운떡볶이 (translated as spicy tteokbokki in Korean),” which is a common element in both the registered service mark at issue and the actually used trademarks, lacks distinctiveness because it directly suggests the nature of the goods or services associated with it.

- The design of a chef or the face of a man wearing a white cap, as depicted in the actually used trademarks 3 through 7, constitutes a distinctive representation of a chef that captures the attention of ordinary consumers or traders, thereby giving them a completely different impression compared to the registered service mark at issue.

Case on Vista

(Fifth-Three Division) IP High Court Decision 2022Heo3663, decided December 1, 2022

Subject Matter	[Trademark right] Vista
Administrative Decision	IPTAB Decision 2020Dang2907, decided April 22, 2022
Category	Cancellation of Registration (Trademark right)
Reference Provision	Article 119(1)(iii) of the Trademark Act and Article 73(1)(iii) of the old Trademark Act (Before being wholly amended by Act No. 14033 on February 29, 2016, the same shall apply hereinafter)
Reference Decision	Supreme Court Decision 2004Hu622, decided September 29, 2005

Issue at Hand

A case that held that the use of a registered service mark for the designated service business means employing a service mark identical to the registered one, which includes not only the registered service mark itself but also any mark deemed identical according to trade norms, excluding the use of merely similar service marks

Case Overview and Issues




The defendant filed a petition for the cancellation of the plaintiff's registered service mark registration, arguing that the plaintiff's registered service mark had not been used by the service



mark holder or others in Korea for three years. The Korean Intellectual Property Trial and Appeal Board (hereinafter, the “IPTAB”) accepted the defendant’s petition on the grounds that “the plaintiff’s registered service mark has not been used in Korea for any of its designated service businesses within three years prior to the filing date of the defendant’s petition, and therefore its registration should be canceled.” Subsequently, the plaintiff filed an action to revoke the decision.

Summary of Decision

The claim was dismissed.

According to Article 119(1)(iii) of the Trademark Act, if neither a trademark right holder, an exclusive licensee, or a non-exclusive licensee has used the registered trademark for its designated goods in Korea for three consecutive years or more without justifiable reason prior to the filing date of the cancellation petition, the registration of such a trademark may be canceled by adjudication. In this context, using the registered trademark for its designated goods refers to the use of a trademark identical to the registered trademark. The term identical trademark includes not only the registered trademark itself but also a trademark that can be considered identical to the registered trademark under trade norms. However, this does not include the use of a similar trademark.

The registered service mark at issue (비스타) consists of the three Korean characters for “Vista” arranged in a row without spacing. In contrast, the actually used trademark 1 (금강비스타) and the actually used trademark 2 (금강비스타) both combine the two Korean characters for “Geumgang” and the three Korean characters for “Vista” in a row without spacing. The actually used trademarks 3-1 and 3-2 ( 금강비스타 , ) are the marks where the shape element ( , etc.) is combined to the left side of the actually used trademark

2. In addition, the actually used trademark 4 () is a mark with a relatively larger geometric part () attached above the “Geumgang Vista” text, and therefore, its appearance cannot be considered identical.

Additionally, while the registered service mark at issue is likely to be called “Vista” based on its Korean pronunciation, “Geumgang” part of the actually used trademarks at issue appears to be used inseparably combined with the text “Vista” in the same size and form without spacing. Thus, these actually used trademarks are likely to be referred to as ‘Geumgang Vista,’ making it difficult to acknowledge that the names of the registered service mark and the actually used trademarks are identical.

Meanwhile, even though the texts “Geumgang” and “Vista” are combined in these actually used trademarks, with only five syllables in total, it is more reasonable to consider that they are recognized and referred to as “Geumgang Vista” as a whole by ordinary consumers and traders, rather than being separately recognized and referred to as “Geumgang” and “Vista.” Therefore, it is deemed appropriate to conclude that these actually used trademarks, due to the combination of the text “Geumgang” or the geometric element, form an appearance, name, and concept that cannot be considered identical to the registered service mark at issue, which is composed solely of “Vista” under social norms.

Even if the plaintiff has used these actually used trademarks in the designated service business of the registered service mark at issue, such use cannot be recognized as the use of a mark that is considered identical to the registered service mark under trade norms. In conclusion, the judgment in this case is lawful.

Case on Sang-Ah

(Fifth-Three Division) IP High Court Decision 2022Heo3281, decided November 24,

2022

Subject Matter	[Trademark right] Sang-Ah
Administrative Decision	IPTAB Decision 2020Dang3911, decided April 15, 2022
Category	Cancellation of Registration (Trademark right)
Reference Provision	Article 73(1)(iii) of the old Trademark Act (Before being amended by Act No. 11113 on December 2, 2011, the same shall apply hereinafter)
Reference Decision	Supreme Court Decision 2005Hu1905, decided June 14, 2007

Issue at Hand

A case that held that the registered service mark holder used the mark for its designated service business, food sales agency business, nor can they provide a justifiable reason for its non-use, as in a case pertaining to the cancellation of a registration due to non-use under Article 73(1)(iii) of the old Trademark Act, the interpretation and judgment of the designated service business should align with trade norms, taking into account the purpose of the service, nature, and specific trading conditions, and the term ‘food sales agency business’ should be deemed to refer to a service business that involves selling food to third parties in exchange for a commission

Case Overview and Issues

The defendant filed an action seeking the cancellation of the plaintiff’s service mark

registration for food sales agency business, among other designated services, on the grounds that the plaintiff's registered service mark had not been used in Korea for three consecutive years. The Korean Intellectual Property Trial and Appeal Board (hereinafter, the "IPTAB") accepted the defendant's petition, acknowledging that the plaintiff had failed to prove that the plaintiff's registered service mark was used in the food sales agency business in Korea within three years prior to the filing date of the cancellation petition, or that there was a legitimate reason for not using it. Subsequently, the plaintiff filed an action to revoke the decision.

Summary of Decision

The claim was dismissed.

In a case to cancel trademark registration due to non-use, as stipulated in Article 73(1)(iii) of the old Trademark Act, the designated service business should be interpreted and judged based on trade norms in a marketplace, considering the purpose of the service and nature, along with specific trade conditions. A "sales agency business" is typically considered as a service that facilitates the sale of goods owned by others, in return for commissions. Therefore, it is logical to conclude that a "food sales agency business" would be a service business specifically engaged in selling food items belonging to third parties and receiving commissions for this service.

The plaintiff submitted a product supply agreement as evidence, claiming that Company A, who appears to have been authorized by the plaintiff to use the registered service mark at issue, was engaged in a "food sales agency business." This contract, however, is a food supply agreement between Company A and Company B, specifying that products produced by Company B bear Company A's trademark and that Company A is basically paid directly by the customers who receive these products. The contract states that its agreement is an "ODM (Original Development Manufacturing) contract." In an ODM contract, a party entrusts a

manufacturer with the production of goods. The manufacturer then develops and produces the ordered goods and delivers them to the party, who then distributes and sells these goods under their own name and account. Considering the form and content of this contract as well as these circumstances, it is difficult to conclude that Company A operated a food sales agency business based solely on the content of this contract.

The plaintiff also submitted detailed transaction history and deposit and withdrawal records from an account to support the claim that Company A was engaged in a “food sales agency business.” However, upon examining the specific content of these detailed transaction records, it is not legitimate to conclusively determine that Company A was involved in a service business where Company A sold products belonging to Company B, and received commissions for these sales. Additionally, according to a business registration certificate issued for Company A dated October 10, 2018, the business type of Company A’s business is listed as “wholesale and retail,” with the items being ‘distribution specialty sales, health functional foods, cosmetics, trade, and telemarketing,’ and no other business types and items are mentioned.

Therefore, it cannot be recognized that the registered service mark at issue was legitimately used in Korea in the food sales agency business or similar by the plaintiff, who is the service mark holder, within three years prior to the filing date of the defendant’s petition. Furthermore, there is no evidence to suggest that there was a justifiable reason for not using the mark in such a manner. Consequently, the registration of the service mark at issue for the food sales agency business and similar should be canceled, as it falls under the grounds for registration cancellation stipulated in Article 73(1)(iii) of the old Trademark Act. Thus, the decision is consistent with the above analysis and shall be upheld.

Case on Billiard Scoreboards

(Second Division) IP High Court Decision 2022Heo3519, decided November 25, 2022

Subject Matter

빌리보드
[Trademark right] billboard

Administrative Decision

IPTAB Decision 2020Dangwon1253, decided
April 11, 2022

Category

Cancellation of Registration (Trademark right)

Reference Provision

Article 119(1)(iii) of the Trademark Act

Reference Decision

Supreme Court Decisions 2012Hu2685, decided
December 26, 2012, and 2006Hu2967, decided
May 29, 2008

Issue at Hand

A case that held that the actually used trademark by the plaintiff was identical to the registered mark at issue and the products used were reasonably considered “billiard scoreboards,” leading to the conclusion that there was no reason for cancellation of trademark registration under Article 119(1)(iii) of the Trademark Act

Case Overview and Issues


The defendant filed an action to cancel the trademark registration at issue, claiming that “the registered trademark at issue, designated for “billiard scoreboards,” has not been used domestically for more than three consecutive years before the filing date of the cancellation petition, and therefore, its registration should be canceled under Article 119(1)(iii) of the Trademark Act.” The Korean Intellectual Property Trial and Appeal Board (hereinafter, the

“IPTAB”) accepted the defendant’s petition on the grounds that “billiard scoreboards, among the designated goods of the registered mark at issue, fall under Article 119(1)(iii) of the Trademark Act.”

Summary of Decision

The administrative decision was revoked.

1. Whether the registered mark at issue was used while maintaining its identity

The trademark actually used by the plaintiff “,” which includes both the English characters and Korean phonetic translation of the registered mark at issue, is deemed to maintain the trademark’s identity under trade norms, as the modification is minor to the extent that its distinctiveness is not impaired as an identifier. Thus, its identity is recognized.

2. Whether the registered mark at issue is used for the designated goods, “billiard scoreboards”

It is reasonable to conclude that the plaintiff’s product corresponds to “billiard scoreboards” for the following reasons: The designated goods of the registered mark at issue, “billiard scoreboards,” reasonably include electronic or digital scoreboards; The plaintiff’s product, a tablet computer, appears to be specifically used for a program developed by the plaintiff and is not intended to function as a general tablet computer; The plaintiff’s product serves the same primary purpose and similar method of use as “billiard scoreboards”; The plaintiff’s product is distributed by various billiard equipment sellers and consumed in billiard halls, matching the distribution channels and consumers of “billiard scoreboards”; and the billiard industry also seems to recognize the plaintiff’s product as a “billiard scoreboard.”

Therefore, among the designated goods of the registered mark at issue, “billiard scoreboards” do not satisfy the grounds for registration cancellation, as stipulated in Article 119(1)(iii) of the Trademark Act.

Case on ULTHERA

(First Division) IP High Court Decisions 2022Heo5591 and 5607, decided May 11, 2023

Subject Matter	[Trademark right] ULTHERA
Administrative Decision	IPTAB Decision 2020Dang3916, decided September 28, 2022
Category	Cancellation of Registration (Trademark right)
Reference Provision	Articles 2(1)(vii), 2(3), 57, 73(1)(iii), 73(4) of the old Trademark Act (Before being wholly amended by Act No. 14033 on February 29, 2016, the same shall apply hereinafter)
Reference Decision	Supreme Court Decisions 2010Hu3080, decided July 28, 2011; 97Hu3319 and 3326, decided December 22, 1998; 2012Hu2463, decided September 26, 2013 (en banc); 2011Hu2916, decided January 27, 2012; and 2003Hu1468, decided September 23, 2004

Issue at Hand

A case that held that the trademark of the defendant, who manufactures and sells ultrasonic skin lifting treatment devices, was used by a non-exclusive licensee in at least one of the designated service businesses, specifically the skin treatment medical service business

Case Overview and Issues

The defendant (Ulthera, Inc.), a subsidiary of the multinational pharmaceutical company

Merz Pharma GmbH & Co. KGaA (hereafter, “Merz”), is the service mark holder of Service Mark No. 242431 (service mark: **ULTHERA**), hereinafter referred to as the “registered service mark at issue), registered on October 17, 2012. This service mark was designated for seven service industries including hospital services and skin treatment medical services in Class 44 of the service classification. Additionally, the defendant possesses Trademark No. 764357 (hereinafter referred to as “relevant registered mark”), registered on August 14, 2007, which is designated for goods in Class 10, including ultrasonic therapy devices and medical ultrasonic diagnostic imaging devices.

The defendant entered into a distribution agreement with Merz Asia Pacific Pte. Ltd. (hereafter referred to as “Merz Asia”) and oversaw Merz’s operations in Asia to grant the “exclusive rights to sell the defendant’s ultrasonic skin lifting treatment devices and similar products in South Korea through sub-distributors,” and “the right to use the defendant’s trademark on these devices, their packaging, and related advertising.” Merz Asia then entered into contracts with entities like Dermatology Clinic A and others, granting them the right to use promotional materials bearing the defendant’s trademark.

The plaintiff filed a petition with the Korean Intellectual Property Trial and Appeal Board (hereinafter, the “IPTAB”) for the cancellation of the registered service mark at issue, arguing that “it had not been used in Korea for more than three consecutive years prior to the filing date of the petition for cancellation, without a justifiable cause for five designated service industries including hospital services and skin treatment medical services (2022Heo5591), or in all its designated service industries (2022Heo5607).” The IPTAB dismissed the plaintiff’s petition on the grounds that “the registered service mark had been used by a non-exclusive licensee in industries such as skin treatment medical services and skin health care services within the three years preceding the petition for cancellation.”

The plaintiff argued, “Dermatology Clinic A and others, as a purchaser of the defendant’s

devices, may use promotional materials provided for free, but this does not qualify them as a non-exclusive licensee of the registered service mark for the designated service industries at issue. The use of the related registered mark does not necessarily imply that the registered service mark was used for its designated service industries. Dermatology Clinic A and others used “ULTHERA” not as an indication of the source of their service, but as a designation for the type of ultrasonic skin lifting treatment, and it is also used as such in the name of the treatment among the medical industry and consumers.”

Summary of Decision

The claim was dismissed.

The defendant granted Mertz Asia a non-exclusive license within the scope defined by the distribution agreement for the related registered mark and the registered service mark at issue. Dermatology Clinic A and others, who received the right to use promotional materials bearing the defendant’s trademark from Merz Asia, are reasonably considered non-exclusive licensees of the registered service mark at issue. Dermatology Clinic A and others used the defendant’s trademark while promoting medical services such as skin lifting treatments using the defendant’s devices on their website.

Dermatology Clinic A and others emphasized on their website that their services are provided using the defendant’s authentic devices. In this context, the use of the trademark “ULTHERA” cannot be considered as a generic name or commonly used mark referring to the type of treatment. Consumers are also likely to verify whether the ultrasonic skin lifting treatment offered under the name of “ULTHERA,” “Ulthera,” or “울썬라” is indeed provided using the defendant’s authentic devices, performed by medical professionals recognized by the defendant, and to ascertain its “source.”

The plaintiff argued that “it is not usual for a medical device manufacturing and sales

company like the defendant to enter into the medical service industry. Therefore, just because Dermatology Clinic A and others, who are purchasers of the defendant's devices, used its promotional materials, it cannot be concluded that the registered service mark at issue has been used in the designated service industry." However, Dermatology Clinic A and others were granted the right to provide skin lifting treatments using the defendant's devices, i.e., the provision of dermatological medical services and its promotion, not the sale of the defendant's devices themselves. By allowing domestic hospitals and clinics to advertise that they have received certifications such as "Certified Ulthera Treatment Hospital" from the defendant or Merz Asia, the defendant made it apparent that the dermatological medical services provided using their devices were under the direct or indirect affiliation with the defendant, and in some cases, even more closely related. Dermatology Clinic A and others also made an effort to lead consumers to recognize through such promotions that their services were closer to the official services provided by the defendant compared to other hospitals and clinics using the defendant's devices.

As a non-exclusive licensee of the registered service mark at issue, Dermatology Clinic A, is recognized to have used the said service mark for at least dermatological medical services among the designated service industries related to this case within three years prior to the filing date of the petition. Therefore, the plaintiff's claim is without merit.

Case on RIMOWA

(Fourth-Two Division) IP High Court Decision 2022Heo4598, decided March 22, 2023

Subject Matter	[Trademark right] RIMOWA
Administrative Decision	IPTAB Decision 2021Dang252, decided June 22, 2022
Category	Cancellation of Registration (Trademark right)
Reference Provision	Article 73(1)(iii) of the old Trademark Act (Before being wholly amended by Act No. 14033 on February 29, 2016, the same shall apply hereinafter)
Reference Decision	Supreme Court Decisions 2011Hu354, decided June 30, 2011, and 2005Hu3406, decided September 22, 2006

Issue at Hand

Whether the registered mark at issue was used justifiably (Negative).

Case Overview and Issues

The plaintiff filed an action to cancel the trademark registration against the defendant (trademark right holder) based on the non-use of the trademark at issue. The Korean Intellectual Property Trial and Appeal Board (hereinafter, the “IPTAB”) made a decision not to accept the plaintiff’s petition on the grounds that the registered trademark at issue had been used by the defendant on the designated goods, namely household electric blenders, within three years prior

to the filing date of this action.

In this case, the defendant claimed the use of the trademark as follows: (1) The defendant imported 25 units of household electric blenders (hereinafter, the “products at issue”) bearing the registered trademark at issue from a Chinese Original Equipment Manufacturer (OEM) for the purpose of transferring or delivering them domestically; (2) However, since the defendant was handling blender products for the first time and was unsure of their marketability, and considering the circumstances such as disruptions in domestic and international logistics due to the outbreak of COVID-19 that occurred in China at the time, the defendant imported only 25 units for market research purposes, including assessing the product’s marketability, appropriate pricing, and anticipated market demand. These were to be sold through the internet site A, a subsidiary company of the defendant; and (3) The defendant was exempted from safety certification under the Electrical Appliances and Consumer Products Safety Control Act and conformity assessment under the Radio Waves Act, and therefore, their import of the products at issue should be regarded as a legitimate use of the registered trademark at issue.

Summary of Decision

The administrative decision was revoked.

Even if the products at issue were imported bearing the registered trademark at issue, considering the following circumstances, it appears that these products were imported without the intention to distribute them in the domestic market, solely to avoid the cancellation of trademark registration due to non-use. Thus, it is difficult to conclude that the defendant legitimately used the registered trademark at issue: (1) The product at issue corresponds to “an electrical appliance requiring safety certification” under the Electrical Appliances and Consumer Products Safety Control Act and must undergo safety certification from a safety certification agency, along with a conformity assessment of broadcast and telecommunications

equipment under the Radio Waves Act, as it is classified as “broadcasting and communications equipment.” However, the defendant was exempted from safety certification and conformity assessment by claiming that the product was “equipment used for research and technological development.” This suggests that they were exempted from related procedures by proving that the purpose of importing these products is not distribution; (2) The defendant was initially allowed to purchase a small quantity of 25 units, 5 for each model, under the purpose of inspecting “samples” for products that had a minimum order quantity of 3,000 units per model; (3) In reality, not even a single unit of the products at issue was sold. And (4) The defendant first inquired about importing blenders from a Chinese company using the Original Equipment Manufacturer (OEM) method with a customer’s brand attached around September 2019. This was after the plaintiff filed a petition (2019Dang2765) to invalidate the trademark registration against the defendant for the registered mark at issue with the IPTAB dated August 28, 2019.

Therefore, the legitimate use of the trademark at issue regarding the designated goods within three years prior to the filing date of this petition is not recognized. Therefore, the registered mark at issue falls under Article 119(1)(iii) of the Trademark Act, and thus its registration should be canceled.

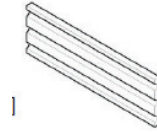
11. Confirmation Trial for the Scope of Rights

Case on Cable Ducts

(Fourth-One Division) IP High Court Decision 2021Heo6672, decided May 25, 2022

Subject Matter

[Trademark right]



(three-

dimensional trademark)

Administrative Decision

IPTAB Decision 2017Dang1455, decided July 20, 2018

Category

Scope of Rights Confirmation

Reference Provision

Article 121 of the Trademark Act

Reference Decision

Supreme Court Decisions 2006Hu2295, decided July 10, 2008; 2000Hu68, decided December 22, 2000; 2010Da58261, decided March 28, 2013; 2002Hu1324, decided February 14, 2003; 2011Da18802, decided January 24, 2013; 2002Do3445, decided April 11, 2003; and 2011Do13441, decided February 14, 2013

Issue at Hand

Whether the mark at issue was used for the trademark (Positive).

Case Overview and Issues

The plaintiff (trademark right holder) filed for an affirmative confirmation trial for the

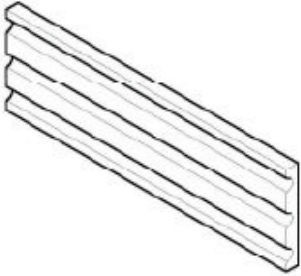

scope of rights against the defendant, claiming that the mark used by the defendant on cable ducts falls within the scope of the registered mark at issue. The Korean Intellectual Property Trial and Appeal Board (hereinafter, the “IPTAB”) dismissed the plaintiff’s petition on the grounds that the mark at issue was only used as a design for the cable ducts and not as an indication of origin or an identifier for the goods.

The plaintiff filed a lawsuit seeking the revocation of the previous administrative decision. The appellate court, considering only the evidence submitted by the plaintiff, determined that it was difficult to regard the mark at issue as also serving the function of indicating the origin of the cable ducts sold by the defendant, and thus dismissed the plaintiff’s claim. The plaintiff then appealed this judgment before remanding. The Supreme Court reversed the decision, stating that the mark at issue while being capable of being a design, was also used as an identifier distinguishing the goods in actual trade, and thus was used as a trademark.

Summary of Decision

The administrative decision was revoked.

Taking into account the facts established by the evidence as well as the following circumstances such as the period during which the plaintiff’s goods bearing the registered mark at issue were used and supplied, the content, duration, and scale of advertisements for the registered mark at issue, and the actual trade practices, it can be concluded that, around 2017 when the defendant used the mark at issue, the registered mark was known to consumers as indicating the source of the plaintiff’s goods. Thus, it is reasonable to believe that the mark was used not only as a design but also as a trademark.

Registered mark at issue	Challenged mark
	 <p data-bbox="1075 504 1224 534">(dotted lines)</p> <p data-bbox="857 560 1164 590">Used product: cable ducts</p>

In other words, (1) It is difficult to consider that the shape of the three lines of grooves, which the defendant used on cable ducts in 2017, is merely a well-known decorative form in cable duct products or just a variation within the range adoptable in the trade field; (2) Considering the size and position the challenged mark at issue displayed on the defendant's products, its manner of use is not significantly different from that of the plaintiff's registered trademark; and (3) Since around 2005, the defendant has been in competition with the plaintiff by selling cable ducts in the industry, so it seems likely that the defendant was well aware that the plaintiff's registered trademark, a three-dimensional mark with three-line grooves, was used as an indication of the source of the plaintiff's goods like cable ducts. In this context, the defendant's use of the challenged mark, which has the shape of the three lines of grooves, on similar products appears to be an attempt to leverage the consumer attraction of the plaintiff's well-known registered trademark, which is recognized by consumers as an indication of the source of the plaintiff's goods.

12. Limitation of the Scope of Trademark Right Protection

Case on Hasla

(Second Division) IP High Court Decision 2022Heo2042, decided November 25, 2022

Subject Matter

[Trademark right] **하슬라**

Administrative Decision

IPTAB Decision 2017Dang1713, decided January 19, 2022

Category

Scope of Rights Confirmation (Trademark right)

Reference Provision

Article 90(1)(i) of the Trademark Act

Reference Decision


Supreme Court Decisions 2014Da59712 and 59729, decided September 30, 2016

Issue at Hand

1. Whether the application of Article 90 of the Trademark Act is subject to the application of Article 2(1) or 9 of the amended Trademark Act Addenda (Negative)
2. A case that held that the challenged trademark falls under Article 90(1)(i) of the Trademark Act and is not influenced by the registered mark at issue

Case Overview and Issues

The plaintiff filed an action for the confirmation of the scope of rights, claiming that “the challenged mark falls within the scope of rights of the registered service mark at issue

().” The Korean Intellectual Property Trial and Appeal Board (hereinafter, the “IPTAB”) dismissed the plaintiff’s petition on the grounds that “the challenged mark corresponds to a trademark used in accordance with the customary practice of one’s own trade

name under Article 90(1)(i) of the Trademark Act, and there is no reason to believe that its use involves the purpose of unfair competition. Thus, the registered service mark at issue does not influence the challenged mark.”

Summary of Decision

The claim was dismissed.

1. Applicable provisions

Article 2(2) of the amended Trademark Act stipulates that “the amended provisions concerning a request for a trial of this Act shall begin to apply from the cases where a request for a trial is made after this Act enters into force.” Furthermore, Article 121 of the same act also states that “a trademark right holder, etc., may request a trial to confirm the scope of rights of trademark rights to confirm the scope of rights of the registered trademark.” Therefore, it is reasonable to apply the amended Trademark Act to render a decision for this case, as the plaintiff filed the trial to confirm the scope of rights after the enforcement date of the amended Trademark Act, which is June 4, 2021. Additionally, it is difficult to apply Article 90 of the Trademark Act as falling under the category of the application of either Article 2(1) or 9 of the amended Trademark Act Addenda.

2. Whether the challenged trademark represents “its trade name in a way of being adopted by trade norms”

It is reasonable to consider that the challenged mark represents the defendant’s trade name in accordance with methods adopted by trade norms in light of the fact that the challenged mark is not expressed in a particularly distinctive form; that “café” appears to be recognized as the English notation for “gabae” (former name of coffee); that the left vertical sign seems to be a repetition of part of the defendant’s trade name; and that the light bulb-shaped decoration is

commonly used.

3. Whether the defendant had the intention of unfair competition

It is difficult to conclude that the defendant used its trade name for the purpose of unfair competition, and there is no evidence to suggest otherwise by taking into account the facts that: The registered service mark at issue has not become well-known and famous; The defendant did not intend to capitalize on the fame of the registered service mark due to the significant distance between the plaintiff's and Defendant's stores, as well as their different interior concepts; Around the time of the defendant's opening, the term "Hasla" was widely used in Gangneung City, which leads to the conclusion that the defendant created a trade name by combining "Hasla," the old name of Gangneung City, with "gabae," the old word for "coffee," to operate a café business in Gangneung City; and The defendant did not appear to choose its trade name by imitating the plaintiff's registered service mark at issue.

In conclusion, the challenged mark falls under Article 90(1)(i) of the Trademark Act and is not influenced by the registered mark at issue.

Case on RIBONIE

(Twenty-fourth-One Division) IP High Court Decision 2022Na1494, decided November 16, 2022

Subject Matter	Injunction against Trademark Right Infringement, etc.
Reference Provision	Article 90(1)(ii) of the Trademark Act
Reference Decision	Supreme Court Decisions 2008Hu4585, decided May 13, 2010, and 2007Hu555, decided June 1, 2007

Issue at Hand

1. Whether the marks used by the defendants correspond to “the trademark indicating the shape of goods according to methods in common use” (Negative)
2. Whether the plaintiff’s exercise of trademark rights constitutes an abuse of rights (Negative)

Case Overview and Issues

1. In December 2010, the plaintiff opened an online store to sell fashion accessories such as hairpins decorated with ribbons and necklaces, after completing the notification and business registration for the mail-order business under the name “Ribonnie.” On April 1, 2015, the registered mark at issue, which has the same text composition as the aforementioned name was registered. Since around April 2018, the defendants have been selling women’s footwear on various online stores and social media such as Instagram, primarily using the mark “리보니” in their advertisements, along with its

리보니

English transliteration, “RIBONNIE” and “Ribonnie.”

2. The plaintiff argues that from April 1, 2018, through March 8, 2022, the defendants used the marks “RIBONNIE” and “Ribonnie” identical or similar to the registered mark at issue to advertise their products, infringing upon the



plaintiff’s trademark rights in the registered mark at issue and causing damage that harms the image of the registered mark at issue to the extent that the plaintiff’s ability to use the mark in their business of selling accessories was hindered. Therefore, the plaintiff sought KRW 518,293,000 in remedies for the prohibition of infringement, destruction of infringing products, and partial damages under Article 110(3) or (6) of the Trademark Act.

First-Instance Decision

Busan District Court Decision 2021Gahap44902, decided March 16, 2022

The portion of the plaintiff’s petition was accepted based on the assessment of losses caused by the infringement of the trademark in accordance with Article 110(6) of the Trademark Act (the defendant filed an appeal).

Summary of Decision

The portion of the first-instance decision was revoked (The appeal was affirmed in part).

1. The defendants argued that the registered mark at issue does not have an effect on the defendants’ mark ‘Ribonnie,’ as the mark used by the defendants consists merely of the word ‘ribbon’ with the suffix ‘-ie,’ indicating the shape of a shoe featuring a ribbon, thereby not infringing upon the trademark rights of the registered mark at issue, as stipulated in Article

90(1)(ii) of the Trademark Act (descriptive mark) and Article 90(1)(iv) of the same Act (commonly used mark).

However, the court did not accept the defendants' arguments for two reasons: (1) The mark "RIBONNIE" used by the defendants could not be regarded as falling within the definition of a "trademark indicating the shape of goods according to methods in common use" as stipulated in Article 90(1)(ii) of the Trademark Act, since it is difficult to perceive that it would lead consumers to intuitively associate the mark with the shape and other characteristics of the defendants' products; and (2) There was neither argument nor evidence presented that could lead to the conclusion that the mark "RIBONNIE" used by the defendants was a commonly used mark.

2. The defendants also argued that the plaintiff's demand to prohibit infringement and abolish the trademark constitutes an abuse of rights, claiming that there are grounds for the cancellation of trademark registration due to non-use, as defined in Article 119(1)(iii) of the Trademark Act in relation to "shoes" among the designated goods (services of the registered mark at issue).

However, the court did not accept the defendants' arguments on the grounds that these arguments merely amounted to a dispute over the existence of grounds for canceling the registered mark at issue. This circumstance alone does not lead to the conclusion that the plaintiff's petition for the prevention of infringement and abolishment of the mark against the defendants is legally justifiable to be protected by law, as the act has not caused a disturbance in the order of fair competition and trade norms, created confusion among consumers, and violated the principle of good faith in their relationship with the defendants.

3. In the meantime, the disposal of the goods in relation to the infringement of the rights should be ordered to either the owner or the person authorized to dispose of them after identifying the

existence of the infringing goods. The court dismissed the plaintiff's argument on the grounds that the defendants had never directly applied the mark "ROBONNIE" to their footwear products, and unless there were special circumstances, it deemed it unnecessary to order the disposal of the goods with the mark, beyond the removal of the infringing marks (The appeal was affirmed in part).

13. Damages

Case on Dental Clinic Network

(Twenty-first Division) IP High Court Decision 2022Na2374, decided June 8, 2023

Subject Matter	Damages (Etc.)
Reference Provision	Article 110(6) of the Trademark Act

Issue at Hand

A case that held that the request to reduce damages, raised by a dentist, who purchased a dental practice that was part of a network and continued its operation without changing its name, was invalid

Case Overview and Issues

The plaintiff is a company engaged in dental hospital management consulting and other businesses and is the trademark right holder of the registered (service) mark No. 410213409, designated for dentistry in Class 44 of the Service Classification and registered on July 13, 2011. Dentist A (co-Defendant in the first instance) entered into a ☆☆ dental network membership contract with the plaintiff on January 23, 2019, setting the monthly fee at KRW 880,000 (including value-added tax), and operated “○○○ ☆☆ Dental Clinic.” On April 28, 2020, Dentist A concluded a contract to transfer the above dental clinic to the defendant through a business transfer agreement. The defendant began operating the dental clinic around May 29, 2020, and although the plaintiff sent a certification of contents to the defendant around August 4, 2020, confirming the intent to enter into a membership contract, the defendant refused to enter into the contract. The defendant continued to use the original business name for the dental clinic until around December 14, 2021, before changing it to ‘☆□ Dental Clinic.’ The plaintiff

filed an action against the defendant for the infringement of trademark rights, seeking damages calculated at the rate of KRW 880,000 per month, amounting to KRW 16,632,000.

First-Instance Decision

Seoul Central District Court Decision 2020Gahap604583, decided October 28, 2022

Although it was acknowledged that the defendant infringed upon the plaintiff's trademark rights, the monthly membership fee in the plaintiff's membership contract includes not only the use of the trademark, but also compensation for other services provided by the plaintiff, such as opening consulting, regular and irregular training, and internal and external events and meetings. Therefore, the court recognized the damages as KRW 10 million and the delayed obligation (the defendant filed an appeal).

Summary of Decision

The appeal was dismissed.

The defendant argues that “the plaintiff did not explain the contents of the membership contract previously concluded with A or actively encourage the conclusion of a contract based on the content of the contract.” Since the defendant comprehensively assumed the rights and obligations under the membership contract by entering into a business transfer agreement with A, this argument is without merit.

The defendant argues that “the damages recognized by the lower court exceeding KRW 3,326,400 is excessive.” However, considering the following circumstances, it cannot be said that the damages recognized by the lower court exceed the reasonable range: (1) It cannot be conclusively stated that the portion of the monthly membership fee related to trademark use, as part of the membership contract, is limited to the amount the defendant claims. It is reasonable to conclude that the defendant continued to use the plaintiff's trademark, which A

had used since around January 23, 2019, from around May 29, 2020, to around December 14, 2021, for more than 18 months to derive business benefits; (2) The defendant did not adequately respond to the plaintiff's request to "pay the unpaid membership fees or stop using the trademark" and only stopped using the trademark after more than a year after receiving a copy of the complaint on December 23, 2020. Furthermore, this lawsuit has not been concluded for over two and a half years; (3) If unauthorized trademark use as the defendant did is neglected, the value of the trademark can only be damaged, potentially leading to the extinction of the trademark rights; and (4) The fundamental principle of the damages system is to restore the victim to the state before the damage occurred by compensating for the actual damages incurred. In this regard, the nature of the infringement, the course of negotiation and litigation, and other similar factors should be considered in the calculation of damages.

The first instance judgment regarding the defendant is justified. Therefore, the defendant's appeal is without merit and shall be dismissed.

V. Unfair Competition Prevention and Trade Secret Protection Act

Case on Eoseosige (Welcome Crab)

(Twenty-second Division) IP High Court Decision 2022Na1548, decided April 7, 2023

Subject Matter	Petition to prevent unfair competition, etc.
Reference Provision	Article 2(1)(m) of the Unfair Competition Prevention Act
Reference Decision	Supreme Court Decisions 2005Hu3284, decided September 6, 2007

Issue at Hand

1. Whether the act corresponds to “the outcomes, etc., achieved through substantial investment or efforts,” as stipulated in Article 2(1)(m) of the Unfair Competition Prevention and Trade Secret Protection Act
2. A case that held that the plaintiff’s trademark (or logo), boxes, signs, and the logo elements of their store interior and exterior are results of “the outcomes, etc., achieved through substantial investment or efforts” and the defendant’s unauthorized use of these achievements falls under Article 2(1)(m) of the Unfair Competition Prevention and Trade Secret Protection Act, thereby leading to the recognition of the prohibition of its use and the granting of damages

Case Overview and Issues

1. The plaintiffs opened Eoseosige (Welcome Crab) Store No. 1, a wary crab to-go store, around November 2019. The defendant entered into a partnership contract with the plaintiffs around January 2020 and operated Welcome Crab Store No. 2. After withdrawing from the partnership on April 22, 2020, the defendant changed the name of Store No. 2 to Hello Crab and continued the same business operations.

2. The plaintiffs demanded the prohibition of use and damages amounting to KRW 50 million against the defendant, claiming that the comprehensive image of their “Welcome Crab” store, including the trademark (or logo), boxes, signs, and interior and exterior design, are the outcomes achieved through significant investment and efforts by the plaintiffs and the defendant’s act of operating a store under the name “Hello Crab,” imitating the plaintiffs’ achievements, thereby corresponding to Article 2(1)(m) of the Unfair Competition Prevention and Trade Secret Protection Act.

First instance decision

Suwon District Court Decision 2020Gahap21780, decided July 6, 2022

The court ruled that the defendant’s act falls under Article 2(1)(m) of the Unfair Competition Prevention and Trade Secret Protection Act and accepted the plaintiff’s claims (the defendant filed an appeal).

Summary of Decision

The first instance decision was modified.

The defendant argued that there was an agreement with the plaintiffs allowing the continued use of the store’s interior as it was when exiting the partnership, thus the use was not unauthorized. The court partially accepted the defendant’s argument and modified the prohibition of use in the first instance judgment to “only restrict the plaintiffs’ trademark, boxes, signs, and the logo element of the store’s interior and exterior.”

1. The defendant’s unauthorized act of using the plaintiffs’ trademark (or logo), boxes, signs, and the logo element of the store’s interior and exterior corresponds to Article 2(1)(m) of the Unfair Competition Prevention and Trade Secret Protection Act.

2. However, regarding the remaining elements excluding the logo used in the store's interior and exterior, it is acknowledged that there was an agreement between the plaintiffs and the defendant to continue using them as they were when the defendant exited the partnership, leading to the conclusion that such use cannot be considered unauthorized. Therefore, the plaintiffs' claims regarding these elements are dismissed.

[Welcome Crab vs. Hello Crab]

	Welcome Crab	Hello Crab
Mark		
Box		
Store		


VI. Copyright Act

Case on H.O.T Logo

(Twenty-fourth-Two Division) IP High Court Decision 2021Na1534, decided December 14, 2022



Subject Matter	Injunction against Trademark Right Infringement, etc.
Reference Provision	Articles 2(2), 8(1)(i), 8(2), and 9 of the old Copyright Act (Before being amended by Act No. 6134 on January 12, 2000)
Reference Decision	Supreme Court Decisions 2012Da76829, decided December 11, 2014, and 92Da31309, decided December 24, 1992

Issue at Hand

Whether part consisting of the trademark (hereinafter referred to as “the shape at issue,” ) constitutes a copyright and the determination of its author.

Case Overview and Issues

1. The plaintiff was in charge of celebrity management at SM Entertainment Co., Ltd., and the idol group H.O.T, which debuted around 1996 under this company, widely used the shape at issue on albums and other merchandise from around 1997 until around 2001, when they went on a hiatus. The plaintiff applied

Service marks 1 and 2	Mark at issue
	

for service marks 1 and 2 (designated service business: performance planning, etc.) around

1996, and the mark at issue (designated goods: stage lighting devices, etc.) around 2009 (The plaintiff also filed a trademark application for the shape at issue around 1997, which was publicly announced). Prompted by the appearance of the members of H.O.T on a broadcast around February 2018, the defendant, a performance planning company, organized and hosted the H.O.T reunion concert held around October 2018. In the process of hosting and promoting the concert, the defendant used the trademarks “H.O.T,” “forever H.O.T,” and “club H.O.T,” and used logos similar to the shape at issue on stage lighting screens, light sticks, and raincoats.

2. In response, the plaintiff argued that the defendant infringed upon their copyright, including the rights to reproduce, distribute, and create derivative works by using logos, which copied the shape at issue, in-merchandise, advertising, and promotion related to the concert, as well as the author’s moral rights such as paternity rights and integrity rights. Consequently, the plaintiff filed sought an injunction against copyright infringement and granting of partial damages: KRW 25 million for infringing copyright and KRW 25 million for infringing the moral rights, totaling 50 million won (The plaintiff also sought damages in the first instance for infringement of the rights related to the service marks 1 and 2 and the mark at issue, but these claims were dismissed as the invalidity of the registrations for the above trademark was confirmed before the first instance judgment was pronounced).

First-Instance Decision

Seoul Central District Court Decision 2018Gahap593277, decided May 21, 2021

The court dismissed the plaintiff’s claim on the grounds that there was insufficient evidence to acknowledge that the plaintiff created the shape at issue or that the real name or pseudonym of the author, as displayed on the original or a reproduction of the shape, is generally recognized as its author (The plaintiff filed an appeal).

Summary of Decision

The appeal was dismissed.

1. Shapes that constitute a trademark under the Trademark Act can be protected as works under the Copyright Act as long as they meet the criteria of a work protected by the Copyright Act. The shape at issue, which uniquely transforms and overlaps the English letters H, O, T to predominantly form an inverted triangle shape due to the largest “T,” is a work of creativity that can be reproduced in the same shape on goods. As it can be recognized for its originality, distinct from the goods on which it is used, the shape can be considered as a work of applied art, including designs, under Article 4(1)(iv) of the old Copyright Act.

2. The evidence that seems to support the plaintiff’s claim of having created the shape at issue consists solely of affidavits signed and stamped by the plaintiff’s acquaintances around December 2019, which were prepared as per the plaintiff’s assertions, making it difficult to accept as they are. According to other evidence, it is acknowledged that a member of H.O.T, J, sought permission from the plaintiff to use the trademarks in 2018. However, this appears to be attributed to the fact that the plaintiff was registered as the trademark right holder at the time. Circumstances and evidence presented by the plaintiff, including the fact that the plaintiff filed and registered the shape at issue as a trademark and that Corporation A did not raise any objections for over 20 years, are deemed insufficient to recognize the plaintiff as the creator or copyright holder of the shape at issue.

3. (1) The inscription “Cover, logo, and graffiti design: Jack Bleakley, Don Ward (hereinafter referred to as ‘Jack et al.’)” on the album leads to the presumption that Jack et al. are the authors of the shape at issue under Article 8(1)(i) of the old Copyright Act; (2) The official fan club newsletter introduces the pictures and various logos on the album cover as created by graffiti

artists from Los Angeles in the U.S., and a TV program interviewing Jack et al., presents the logo at issue as one of their representative “graffiti logos”; (3) Common stylistic methods appear in the shape at issue and other graffiti designs (by Jack et al.); (4) It is unlikely that the shape at issue, created and provided by Jack et al., who are not in a substantial directive or supervisory relationship such as employment, constitutes a collective work under Article 9 of the old Copyright Act; (5) The fact that the plaintiff applied for the shape at issue as a trademark around 1997, but being listed as the applicant does not necessarily mean they are marked as the author; and (6) The album at issue details participants in categories including not only “cover, logo, and graffiti design,” but also “album design,” in the “STAFF” section, and the plaintiff is listed only as one of the “production coordinators.” Considering all these circumstances, it is reasonable to conclude that Jack et al., are the authors of the shape at issue.

Case on Seolsongwon Manggae-tteok

(Twenty-fourth-Two Division) IP High Court Decision 2021Na1534, decided December 14, 2022



Subject Matter	Petition to remove a sign, etc.
Reference Provision	Articles 107, 109, 110(4), and 110(6) of the Trademark Act; and Articles 2(1)(iv), 123, 125(2), and 126 of the Copyright Act
Reference Decision	Supreme Court Decisions 94Nu5632, decided August 23, 1996

Issue at Hand

1. Whether the defendants, who are non-exclusive licensees of a trademark with designated goods such as “manggae-tteok,” infringed upon the plaintiff’s service mark rights, which include “tteok (rice cake) specialty cafe business” among its designated services (Negative)
2. Whether the defendants infringed upon the plaintiff’s copyright, which involves the rights to the handwritten “seolsongwon,” “manggae tteok” and was duly registered after modifications (Negative)

Case Overview and Issues

Around 1996, Party A started manufacturing and selling tteok before changing their trade name as “Seolsongwon” around 2003 and began selling “Seolsongwon Manggae Tteok” around 2008. In September 2009, Party A paid KRW 2 million to calligraphy artist A for

handwritten ‘’, and ‘’, (hereinafter, the “respective handwriting at issue”), and on

July 7, 2010, registered trademark No. 829111 (Trademark: 설송원 雪松園) with manggae tteok as the designated goods [hereinafter referred to as the “trademark right at issue”]. Party B, based on an execution copy of a seizure and special encashment order against Party A, purchased the above trademark right for KRW 30 million and changed the name of the trademark right holder. Meanwhile, Individual A, who manufactured and sold tteok under the trade name of “Seolsongwon Manggae Tteok Individual A Jamsil Branch,” registered trademark No. 354810 (Trademark: 설송원) on April 4, 2016, with tteok (rice cake) specialty cafe business as the designated service business [hereinafter referred to as the “service mark right at issue”]. The plaintiff completed the registration of the change of the rights under the purpose of “the obtainment of the copyright for the respective handwriting at issue from Party A (artistic work>calligraphy)” on June 20, 2019, and completed the transfer registration of the service mark right at issue from Individual A on December 9, 2019. The defendants, having signed franchise and non-exclusive license agreements with Party B who has purchased the trademark right at issue, are respectively operating a store. The plaintiff filed an action against the defendants seeking the removal of the sign and damages on the grounds that they infringed upon the service mark at issue and the copyright on the respective handwriting at issue.

First-Instance Decision

Seoul Central District Court Decision 2020Gahap533193, decided August 12, 2022

The defendants used the trademark at issue within the scope of the non-exclusive licensee and thus, cannot be considered an infringement of the service mark right at issue. Additionally, the respective handwriting at issue lacks the creativity required to be protected under the Copyright Act. Thus, the plaintiff’s claims are dismissed (the plaintiff filed an appeal).

Summary of Decision


The appeal was dismissed.

The plaintiff argues that the defendants infringed upon the service mark right at issue, which designates the tteok (rice cake) specialty cafe business as its service, by selling other types of tteok and beverages while using the actually used trademark, in addition to the designated goods, manggae tteok. However, the designated goods of the trademark right at issue include a wide range of products in Class 30 of the Goods Classification, such as processed cereal products. Party B applied for the trademark registration on April 26, 2019, for the trademark ‘설송원’, as designating tteok wholesale and retail business as the goods (services) (registered as Trademark No. 2059589 on July 28, 2023, which is after the closing arguments; hereinafter, the “service mark right 2”). Additionally, in a situation where the trademark right at issue, the service mark right at issue, and the service mark right 2 (as of the current date) are all valid and coexist, it is inappropriate to conclude that certain goods or services are not included in the designated goods (services) of the trademark right at issue, just because they are not perfectly encompassed by the designated goods (services). Therefore, the plaintiff’s claim is not acceptable under these circumstances.

The plaintiff argued in the lower court that the respective handwriting at issue is “calligraphy” and an “applied artwork” under Article 4(1)(4) of the Copyright Act but changed its position to say they are “calligraphy.” However, considering the following circumstances, it is unreasonable to conclude that the defendants infringed upon the plaintiff’s “copyright (property) rights” to the respective handwriting at issue: (1) The respective handwriting at issue was created upon the request of Party A, as a “logo” to distinguish their trade name and products. As such, the aesthetic expression by Party A is restricted by practical and functional aspects; (2) The respective handwriting at issue has always been used primarily for the purpose of conveying information, such as source indication, and thus, differs from general calligraphy

works. For

the plaintiff as well, the significance of the respective handwriting at issue, especially in a situation where the trademark right, service mark right, and the service mark right 2 at issue coexist, lies in visually distinguishing the source, and the actual purpose of registering them as copyrights seems to be the same. Hence, even the aesthetic elements presented in the respective handwriting at issue are difficult to completely separate from their practical functions; (3) The

trademark () used by the defendants on signs, etc., is a stylized character, slightly omitting aesthetic elements of the respective handwriting at issue, such as the rough texture of the brush due to dry-brush technique, and does not constitute the actual handwritings themselves. Such design, unless it constitutes an independent artistic work or carries artistic value separate from practical functions, is not subject to protection under the Copyright Act. It is also difficult to conclude that the aesthetic aspect of the element identical or similar to the respective handwriting at issue from actually used trademarks by the defendants overwhelms its function of conveying information to the extent that the characters are merely an occasion for aesthetic expression. Therefore, the fact that the respective handwriting at issue is registered as calligraphy does not directly influence the conclusion. Furthermore, this is particularly true as the Korea Copyright Commission only reviews “whether it is clearly not a copyrighted work.”

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