



*Newsletter - Spot 2016*  
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We wish to advise you of some of the recent changes brought to patent practice in the wake of two revisions to the Korean Patent Act (and the Utility Model Act) promulgated on February 29, 2016 and March 29, 2016 and to be effective as of June 30, 2016 and March 1, 2017 respectively.

**1. Introducing a system of cancellation of patent registration to prevent a defective patent**

As of March 1, 2017, anybody will be entitled to file a request to cancel a registered patent right within 6 months after it is published on grounds that it lacks novelty or inventive step or that it violates the first-to-file rule with the Korean Intellectual Property Tribunal (KIPT).

Once a request to cancel a patent right is received by the KIPT, the trial examiner in charge on the KIPT will put the patentee on notice in writing if he or she finds through a documentary examination that there are grounds for cancellation and will thereafter grant the opportunity for the request of correction or for the filing of a written argument .

If, however, there are no grounds for cancellation, the KIPT will not invoke such a procedural rule and will make a decision of dismissal for the purpose of relaxing the extent of burden put on the patentee.

The patentee is entitled to file a litigation with the Patent Court of Korea against a decision of cancellation rendered by the KIPT.

However, if and when a decision of cancellation is rendered and affirmed, the patent right in question will then be considered as being non-existent in the first place.

The newly adopted procedure for cancelling a patent right is simple and is without burden. It is expected that the procedure to be adopted will contribute to the safeguarding of public interests in relation to patent rights by weeding out defects overlooked in the course of examination thus far. The new cancellation system does not replace the existing invalidation action systems.

The table provided below shows a comparison of the existing invalidation trial procedures and the newly adopted measure for filing a request to cancel a registered patent right.

	New Procedure for filing a request to cancel a registered patent right	Existing Patent Invalidation Trial Procedures
Entitled to file	Any person	Interested person
When to file	6 months from the date of registration	Any time
Nature of Procedure	Review of the outcome of patent examination process	Dispute resolution among parties involved
Reason for filing	Novelty and Inventive Step (Patent Publications)	All grounds for invalidation
Merger of Proceedings	Principle of Integrated Merger	Merger when necessary
Process of Examination	conducted only upon grounds for cancellation	conducted without exceptions
Operation of Procedures	Ex-Parte (KIPO-Patentee)	Inter-Parte (Petitioner-Petitionee)
Manner of Examination	Documentary proceedings	Principal of oral proceedings
Amendment for reasons for filing	Limited	Unlimited till the end of proceedings

Opportunity for correction	once in principle	Unlimited
Prenotification of Decisions (Trial Decisions)	Notification of grounds for cancellation	N/A
Manner of conclusion	Decision	Trial Decision
Attorney fees	Low costs	High costs
Official fees	Low costs	High costs
Appeal procedures	KIPO after the patent court	Parties Involved

This cancellation system will take effect against patent rights that will be registered on or after March 1, 2017.

## **2. Shortening the period of time for filing a request for substantial examination from 5 years to 3 years**

A patent applicant has been required to file a request for substantial examination within 5 years from the filing date or priority date whichever is earlier. This rule has sufferings stemming from a lengthy period of time that leaves patent applications pending thereby placing a third party who is interested in working the same or similar inventions or technologies uncertain for a longer period of time.

The law has been revised to the extent that a request for substantial examination can be filed within 3 years from the filing date or the priority date of the pertinent patent applications whichever is earlier for the purpose of resolving such problems.

It is expected that the adoption of this new policy will help to shorten the period of uncertainty and protect the public interests in the relevant technologies.

This amendment will take effect for the patent applications filed on or after March 1, 2017.

### **3. A system of submission order for examination outcomes in the base country of priority claim**

The KIPO has introduced a new measure to order the submission of the references related to the prior art cited by the first country in which the original filing has been done on the basis of a claim for priority.

The purpose of this procedure is to increase the quality of patents by using the outcome of patent examination processes among the patent offices of leading countries as a result of an increase in overlapping patent applications that cover the same nature and character of art in the overseas jurisdictions.

This procedure is applicable to patent applications with a claim for priority that pre-date its enforcement.

This amendment will take effect even for the patent applications filed before March 1, 2017.

### **4. Adoption of measure to suspend procedures by party in infringement litigation till the time of decision of the trial action for invalidation or cancellation**

In case that there is a trial action over the same patent right subjected to an infringement lawsuit, the KIPO has introduced a new measure for suspending the infringement lawsuit till the time there is a decision rendered in the trial action for invalidation or cancellation if and when a party involved in the infringement lawsuit files for such suspension.

Only the court of law was entitled to suspend pending litigations statutorily, and there were no separate procedures for suspending litigations by the party.

Due to this new measure, the KIPO expects to more actively use trial outcomes in patent infringement lawsuits and also to minimize the extent to which there are contradictory outcomes in trial actions and patent infringement litigations.

This amendment will take effect for all pending infringement lawsuit as of March 1, 2017 as well as for the lawsuits filed on or after March 1, 2017.

### **5. Enhancing the degree of liability imposed upon patent infringer for damages by the court order to submit evidentiary materials of trade secret**

There was no way in which to obligate the filing of evidentiary materials needed for proving damages in case there is a refusal on the part of alleged infringers in that they constitute trade secrets.

However, the KIPO has amended the law to the extent that key evidentiary materials and exhibits such as production manuals, sales records, and others that may constitute trade secrets shall be filed as evidences.

If and when the alleged patent infringer is not in compliance with a court order for the filing of evidences, the court of law will take the allegation made by the patentee to be true for damages.

If and when the court orders an appraisal in connection with the calculation of damages, the party who files exhibits will be ordered to explain what is stated in the exhibits to be filed under a new clause.

Additionally, the newly adopted amendment has been introduced to the extent that digital files will be within the scope of a court order for filing exhibits. In the past, a separate process and procedure were necessary for such filings since there was a limitation of filing evidentiary materials to the extent that only printed materials could be used.

However, those entitled to have an access to the files are limited to judges and attorneys.

Due to this amendment, the KIPO expects to make an improvement in its weak areas exploited by low damage amounts and deprivation of technology in the patent infringement litigations.

The amendment will take effect for the damage compensation lawsuits filed on or after June 30, 2016.

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