



Newsletter - January, 2019

The legislation for the system of multiple damages of the Patent Act was passed by the Korean National Assembly on December 7, 2018 and it is scheduled to take effect on July 9, 2019. This Revision has been introduced in conjunction with enforcing protection against patent infringement, and specifically, it is in accord with the so-called “multiple damages” to protect against patent infringement. Also, there has recently been a revision of customs ordinance to effectuate the validity of IP right in the context of customs protection, and the said Revision applies to the simplification of requisite documents for the purposes of making it easier to have a grant for patent or design patent rights upon customs recordation for the purposes of IP right protection.

1. Introducing a system of 'multiple damages' to enhance protection against patent infringement

As of July 9, 2019, a system of 'multiple damages,' which could multiply damages up to 3 times against willful infringement of patent, will be enforced (Article 128 (8) and (9) of Patent Act).

According to the revised system of multiple damages, maximum of three times the recognized damages could be awarded for the amount of compensation, where an act of infringement is recognized to be 'willful.' In addition, when determining whether the act of infringement is willful, the followings are to be contemplated: whether the infringer has a superior status, the degree of willfulness, the number and time period of the infringement, profits gained by the infringer through the infringement, etc.

Due to this amendment, the damage relief arising out of infringement upon the patent rights or exclusive licenses will be expected to be strengthened, such that the distorted market order could be rectified and the patent invention could be invigorated.

However, in order for the revised system of multiple damages to be paid off, the requirements for 'willful infringement' in a civil remedy, which could be interpreted in a different way from a criminal case, along with the standard of proof need to be established.

The table provided below shows a comparison of the punitive damages and the system of multiple damages.

punitive damages	multiple damages
No upper limit for the amount of compensation	maximum of three times the recognized damages
the jury determines the amount	the judge determines the amount
unnecessary to prove the amount of damages	necessary to prove the amount of damages in accordance with the existing principle
the main purpose is to punish the infringer	faithful compensation for the damages and suppression of the potential unlawful act

2. Simplification of procedures for registering patents and designs and extending the terms of validity for IP right customs recordation (The 2019-1 Customs Office Ordinance promulgated on January 14, 2019 to take effect on January 21, 2019)

1) Valid term for applying for IP right customs recordation extended to 10 years from 3 years

If one sought to have customs protection for trademarks, copyrights, patents, and designs with the Korean Customs Service (KCS), he or she had to apply for the customs registration with the KCS and had to subsequently apply for the renewal after 3 years. In other words, once the renewal term expires, another application for the renewal would be required for another 3 years.

However, under the recent amendments, the customs recordation term will be increased from the current three years to 10 years, meaning it will no longer be necessary to renew KCS recordation every three years. However, the recordation will still expire if the underlying IP right expires.

2) Simplification of requisite documents upon application for customs recordation of patent and design rights

Till now, upon application for customs recordation of patent or design rights with the KCS, it was mandatory to file evidences with a showing of infringement unlike the cases of trademarks or copyrights.

Under the 21 January 2019 Revision, there would be no need to present the KCS with evidences with a showing of infringement in the same manner in which it is unnecessary to present proof of infringement upon trademarks or copyrights.

As such, we expect the said Revision to give rise to the level of customs recordation with the KCS with potential barriers removed due in large part to the simplification of procedures to record customs for patent and design rights.

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