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A Quarterly Update of Korean IP Law & Policy

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Kim & Chang Successfully Defends Against PTE Challenges at the Supreme Court

By Duck-Soon CHANG, Tae Min KIM and Inchan Andrew KWON

In a decision issued on November 29, 2017, the Supreme Court conclusively rejected recent generic patent term extension ("PTE") validity challenges in Korea based on alternative term calculation and license registration timing proposals put forward by the generics, upholding two Korean Patent Court special panel decisions previously issued on March 16, 2017 (Patent Court Decisions Nos. 2016 Heo 21 and 2016 Heo 4498).

As our firm has previously reported, generics in Korea have been challenging the validity of issued Korean PTEs on two primary grounds: that the PTE is invalid because the marketing approval holder for the related drug was not properly registered as a patent licensee prior to the PTE application being filed, and that various periods of time included within the PTE should not have been included under the relevant statutes. While the license registration issue is relatively straightforward and the Supreme Court had been expected to uphold existing practice (as did the Patent Court), the PTE term calculation issue has been of great interest to pharmaceutical companies due to the potential for substantial shortening of granted PTE terms in Korea.

However, the Supreme Court has finally confirmed that there was nothing illegal about the Patent Court's findings as to what periods may be included in the PTE term.

As background, current Korean Intellectual Property Office ("KIPO") PTE calculation practice under Article 89 of the Korean Patent Act and Regulations uses the following formula:

PTE period = domestic clinical trial period (from first patient in to last patient out) + Ministry of Food and Drug Safety ("MFDS") review period – any delay attributable to Patentee during the MFDS review period

KIPO's practice has been to find "delays attributable to Patentee" only during periods of time where there is a supplementation request pending from all examination departments (i.e., standard and test method, safety and efficacy test, GMP inspection and DMF). If only some departments have supplemental requests pending, that time is not a delay that is attributable to the patentee.

Generics' arguments against granted PTE terms

The generics in these cases have argued that the granted PTE terms were invalid because the full amount of delays attributable to the patentee was not excluded from the total time period during which a patented invention could not have been worked (the "Non-Working Period"), leading to longer PTE terms than were legal.

The generics suggested various other PTE term calculation methods, such as limiting the Non-Working Period to the specific duration of the MFDS safety and efficacy examination alone, or aggregating the total length of all departmental supplementations to count as delay attributable to the patentee, or to simply treat the longest examination period out of all the individual departmental examinations as the Non-Working Period. Further, some generics argued that even if KIPO's current practice regarding "delays attributable to Patentee" is accepted, if certain departments have completed their review, they should not be counted when determining delays attributable to the patentee. Thus, any time supplemental requests are pending (if all other departments' reviews are complete) should be a delay attributable to the patentee. Each of these methods would have resulted in a shorter PTE term than was actually granted by KIPO.

The Patent Court's rulings regarding PTE terms

The Patent Court outlined certain basic standards for PTE terms:

- 1) The "time period during which the patented invention could not have been worked" under Article 89 of the Patent Act (i.e., the Non-Working Period) begins on the day when the test for safety and efficacy is initiated or the day when the patent is registered (whichever is later), and ends on the date when the regulatory approval is delivered to the applicant.
- 2) The "time period of delay attributable to the patentee" should be construed to mean periods for which the patentee bears responsibility and can reasonably be said to have caused delay in the regulatory approval.

Based on these standards, the Patent Court rejected all of the generics' proposed PTE term calculation methods, and held that the PTEs as granted by KIPO were valid.

Supreme Court's decisions

The Supreme Court upheld the Patent Court's rulings that the PTEs as granted by KIPO were valid. With respect to calculation of PTE terms, the Supreme Court held:

Since each departmental examination in the MFDS is simply a way of dividing labor, and given that approval is granted only after all examinations are completed, the approval procedure should be treated as a single process. Therefore, even if there is a supplementation during one department's examination, if the other departments' examinations are continuing at the same time, it cannot be concluded that there is delay attributable to Patentee. Accordingly, the Patent Court's finding that the PTE terms as calculated are valid is legal and proper.

With respect to the license registration issue, as expected, the Supreme Court confirmed that there was no violation of Article 134(1)(ii) of the Patent Act, on the basis that this provision merely requires that the registration take place before the PTE grant, and was not intended to require registration specifically at the time of the regulatory approval.

Implications of the Supreme Court's decisions

For the most part, the Supreme Court simply affirmed the validity of PTEs granted under KIPO's current practices. Thus, it is expected that PTE practice will continue to remain substantially the same as before, and that generics will have difficulty challenging other PTE terms that have been granted by KIPO.

However, even before the Supreme Court's decisions, KIPO recently announced plans to review the entire current PTE system, and to consider whether KIPO's PTE regulations need further revision in light of practices in other PTE jurisdictions. Thus, although KIPO's proposed revisions should obviously reflect the Supreme Court and Patent Court's rulings regarding the principles for determining the starting and end dates of the Non-Working Period and the time period attributable to the patentee, there may be revisions to KIPO's PTE practice to clarify areas that were not specifically addressed by the Supreme Court (such as foreign clinical trial periods, or the time between completion of domestic clinical trials and the actual filing of the drug approval application). This may be an opportunity for patentees to try to obtain additional PTE for such periods through requests to KIPO.

On the other hand, given the lack of specific guidance in the Supreme Court's decisions regarding such periods, and since we expect KIPO will take a relatively conservative approach to any revisions, it is likely that there will not be any substantial changes to the length of PTE terms that are granted going forward, unless a further court challenge is filed to expressly clarify the inclusion of such periods in PTE.

Supreme Court Overrules Both Lower Tribunals to Recognize Inventiveness of Enantiomer Selection Invention

By Sang-Wook HAN, Alice Young CHOI and Seung Hyun LEE

On August 29, 2017, the Korean Supreme Court issued decisions recognizing the inventiveness of two Novartis patents for the compound and the transdermal composition, covering two products used to treat dementia associated with Alzheimer's disease (Exelon[®] Capsule

and Exelon[®] Patch).¹ Particularly, the decision regarding the compound patent was noteworthy because not only was this only the second time the Supreme Court has recognized the inventiveness of a "selection invention" in Korea, but in fact both lower tribunals had specifically

¹ See Novartis AG v. SK Chemicals cases - Supreme Court Decision 2014Hu2696 and 2014Hu2702, August 29, 2017. Novartis was represented by Kim & Chang.

rejected the inventiveness of the selection invention compound (an enantiomer of a previously-known racemate).²

Background

Novartis isolated a novel enantiomer ((S)-N-ethyl-3-[1-(dimethylamino)ethyl]-N-methyl-phenyl-carbamate, or "rivastigmine") from a racemate disclosed in prior art references, and discovered that it has remarkably superior transdermal penetration and 24-hour duration ("transdermal effect"), as well as superior anti-dementia effects, over the racemate. Novartis obtained two patents relating to these discoveries: (i) a compound patent directed to Exelon[®]'s active ingredient (rivastigmine); and (ii) a pharmaceutical composition patent for systemic transdermal administration comprising rivastigmine.³

The Exelon[®] Patch was the first patch-type transdermal therapy approved worldwide to treat dementia associated with Alzheimer's disease, and has achieved huge commercial success.

Procedural History

SK Chemicals imported a significant amount of the rivastigmine active ingredient during the patent term of the compound patent, and subsequently manufactured and exported their own rivastigmine patches. Novartis responded in 2012 by filing a patent infringement action against SK Chemicals based on their compound patent. SK Chemicals then filed invalidation actions at the Intellectual Property Trial and Appeal Board ("IPTAB") against both of Novartis' patents covering the Exelon[®] Capsule and Exelon[®] Patch.

The IPTAB denied the novelty of Novartis' compound patent on the basis that a person skilled in the art could have directly recognized the enantiomer, rivastigmine, from

the racemate⁴ based on common technical knowledge at the time of the filing date of the patent. The IPTAB also denied inventiveness on the basis that the prior art racemate would have had the same transdermal effect as rivastigmine due to having the same chemical structure, and therefore rivastigmine did not have a qualitatively different effect from the racemate. The Patent Court upheld the lack of inventiveness on appeal.⁵

However, the Supreme Court reversed the Patent Court and found both Novartis patents inventive, holding that the transdermal effect of rivastigmine indeed was a qualitatively different effect from what would have been expected from the prior art by focusing on what was specifically described in the prior art reference (especially in the working examples).

Significance

The Supreme Court's decisions are noteworthy for at least two reasons. First, the compound patent was reviewed as a selection invention (specific enantiomer vs. racemic mixture), and yet the Court still recognized inventiveness. There are very strict patentability requirements for selection inventions in Korea, and in fact there has only been one previous case in Korea in which the Supreme Court recognized the inventiveness of a selection invention.⁶

Second, the Supreme Court came to its conclusion despite the fact that both lower tribunals (the IPTAB and Patent Court) agreed that the compound patent was invalid. Since Supreme Court review is discretionary, and in most cases substantive review is denied if both lower tribunals reach the same conclusion, the Supreme Court's decision in this case not only to take up review, but to reverse the lower tribunals' invalidation decisions was unexpected, and a welcome indication of the Supreme Court's interest in accurate review of the issues in this case.

² An "enantiomer" refers to each of the two mirror image forms of a chiral molecule. A "racemate" or racemic mixture refers to a mixture containing an equal ratio of a pair of enantiomers.

³ The pharmaceutical composition patent for systemic transdermal administration resulted from a divisional application based on the compound patent application.

⁴ Only two types of enantiomers exist - the (R) and (S) forms.

⁵ The IPTAB originally found that the pharmaceutical composition patent was inventive, but the Patent Court denied the inventiveness of both patents.

⁶ Supreme Court Case 2010Hu3424, August 23, 2012.

Double Patenting Between Genus and Species Claims in Chemical Inventions in Korea

By Sang Young LEE and John J. KIM

Double patenting is defined in Korea as a situation where claims from two patent applications are completely identical or substantially identical. The claims are considered substantially identical if the differences amount to a simple addition, deletion, or modification of well-known or commonly used technologies as a specific means for solving a problem, and do not involve any particular differences in terms of purpose and working effect (Supreme Court Decision 84Hu30 rendered on August 20, 1985).

Until now, the IPTAB (Intellectual Property Trial and Appeal Board) has determined the existence of double patenting strictly based on a review of the claims of the two applications at issue. However, the IPTAB recently rendered decisions in two cases involving double patenting between genus and species patents in the chemical field (one where the priority dates were different and a second where the priority dates were the same) that raise questions about whether this legal standard still applies. Specifically, the IPTAB now appears to be comparing the claims of the later-filed application to the specification as well as the claims of the earlier-filed application in view of selection invention standards or where there is any basis to say that the claim language is unclear.

A. Different priority dates: General formula (genus-type) vs specific compound (species-type) (IPTAB Decision No. 2015Dang1465, 2653, et al. (consolidated) rendered on August 21, 2016)

In this case, the earlier-filed application claimed a genus of compounds but did not expressly disclose the specific compound (species) claimed in the later-filed application. According to the Examination Guidelines of the Korean Intellectual Property Office, while a species claim always anticipates the related genus claim, a genus claim only anticipates a species claim if the species easily could have been recognized from the genus claim itself.

The IPTAB held that the specific compound claimed in the later-filed application could not be easily recognized from the earlier-filed application in view of the large number of potential combinations of substituents recited in the general formula of the earlier-filed application. However,

in making its decision, the IPTAB appeared to review the double patenting issue using "selection invention" patentability standards. In Korea, certain types of species inventions are called selection inventions and are subject to higher standards for patentability, including extremely strict description requirements and a requirement to show the selection invention has qualitatively or quantitatively superior effects over the prior art. Significantly, while double patenting determinations ordinarily compare only the claims of the earlier and later references, the patentability of selection inventions depends on a review of the entire prior reference. In other words, a selection invention is novel only if the invention is not disclosed nor directly recognizable from the entire disclosure of the earlier reference.

In this case, the IPTAB indicated that the later-filed species compound was not disclosed in and could not be directly recognized from the **specification** of the earlier-filed application, and that the **specification** of the earlier-filed application did not contain any disclosures regarding the combination of substituents leading to the species compound. Thus, the IPTAB appears to have used some hybrid standard for double patenting review by evaluating the later-filed claims against the prior reference using selection invention standards, even though the earlier-filed application was not published before the priority date of the later-filed application.

B. Same priority date: Salts vs fumarate salt (IPTAB Decision Nos. 2015Dang823, 1552 et al. (consolidated) rendered on April 24, 2017)

In a more recent case, the 2 applications at issue were filed on the same date. One application claimed compounds using a general formula along with "salts" of the compounds (the "genus application"), while the other application claimed a fumarate salt (the "species application"). Although the genus application disclosed a "fumarate salt" in the working example, the fumarate salt was not claimed.

Again, the general principles of double patenting in Korea would dictate that only the "claims" of the 2 applications should be compared to see if double patenting is violated.

However, the IPTAB found double patenting on the basis that the applications were substantially identical. Although selection invention standards clearly were not applicable in this case (since the selection invention standard cannot be used if the genus and species applications have the same priority date), the IPTAB still went beyond the plain language of the claims in its review, by treating the claims as if they were unclear and construing them in view of the patent specification, prosecution history and general technical knowledge in the art. The IPTAB noted that while the fumarate salt was not claimed, it was described in the **specification** of the genus application. Thus, the fumarate salt appears to have been imported into the genus application claim for purposes of the double patenting analysis.

C. Our Analysis and Comments

While the IPTAB did not expressly state in these cases that it was using a different standard to evaluate the double

patenting issue, many observers have agreed that these cases were decided unusually, and have disputed whether the IPTAB's apparent new approach is appropriate. As noted above, the IPTAB's approach in these cases appears to go against the Korean Patent Act and previous court practice which has consistently required that double patenting be determined based on the claims alone. These IPTAB decisions are also contrary to other major foreign jurisdictions (e.g., the IP5, including the US, Japan, China, and the EU), which generally review double patenting based on a comparison of the claims.

As neither of these IPTAB decisions was appealed, the decisions have become final and conclusive. However, as there are several other double patenting cases pending before the IPTAB, it remains to be seen whether the approach taken in these cases represents a real change in the double patenting standards or whether such an approach will survive appeal in another case.

New "International Panel" To Be Established in the Korean Courts

By Sang-Wook HAN, Chunsoo LEE, Kenneth K. CHO and Ki Yun NAM

An amendment to the Court Organization Act (the "Amendment") was approved by the Korean National Assembly on November 24, 2017. This Amendment allows the Patent Court and the District Courts handling IP cases (i.e., patent, utility model, design, trademark, and plant variety cases) to establish International Panels where parties may present evidence and arguments in a foreign language. Overall, we believe the Amendment will foster a better environment for foreign companies to enforce or defend their IP rights in Korea.

1. Submitting evidence and presenting arguments in a foreign language

In Korean Court proceedings, parties are not allowed to use a foreign language in their written submissions or during oral argument. However, the Amendment stipulates that the district courts in the five statutory venues for IPR disputes (i.e., Seoul Central, Daejeon, Daegu, Busan, and Gwangju) and the Patent Court may permit parties to use a foreign language in court proceedings as long as the parties agree. These cases

would be designated as "International Cases" and would be handled exclusively by "International Panels" set up by the courts. The parties would be able to present arguments and submit evidence in a foreign language, such as English, and the Court would issue a decision written in the foreign language. Although the Amendment provides a legal basis for the Patent Court and the district courts to establish International Panels, the specific procedural rules and details (such as the procedure for obtaining permission, acceptable foreign languages, and the like) still need to be established by the Supreme Court. The Courts will also consider permitting technical experts and inventors to testify in their native languages.

2. The first International Panel in Asia to be established in 2018

The Amendment is expected to accelerate the creation of International Panels, and after the grace period to implement the Amendment (six months after promulgation), the Patent Court and the district

courts have indicated they expect to establish the first International Panel by the middle of 2018. If the International Panel is established as scheduled, then it will be the first international-focused IP Court in Asia. It is hoped that the establishment of the International Panel may attract more international IP cases to Korea, by providing better opportunities for foreign litigants to effectively enforce their IP rights. More specifically, since parties will be allowed to submit evidence in a foreign language, foreign litigants would be able to utilize evidence and materials filed in foreign jurisdictions directly in Korean lawsuits, without the need to translate the materials into Korean. Similarly, expert witnesses used in foreign litigation could be more easily used in Korean litigation without the need to hire a local Korean expert as is currently common, thereby saving considerable time and money. It is also expected that

court proceedings will benefit from allowing the use of foreign languages by encouraging improvements in the substance, quality and transparency of proceedings, in order to make Korean courts a more attractive venue for IP lawsuits. The International Panels are thus expected to attract more international cases to Korea, and to advance discussions about establishing an Asian Unified Patent Court.

If International Panels are established in the Patent Court and the District Courts under the Amendment, then the substance, quality, transparency and procedural characteristics of IP lawsuits in Korea are expected to be substantially improved in line with the needs of international clients. The Supreme Court's efforts to outline further details regarding International Panels are being closely watched, and are certain to generate further discussion and commentary.

Korean Judicial System Ranked First Two Years in a Row by *Doing Business 2018*

By Raymis H. KIM and Yongrok CHOI

In *Doing Business 2018* (a World Bank Group Publication), the Korean judicial system is again ranked first in enforcing contracts. This is the second year in a row that Korea has received this recognition. According to *Doing Business 2018*,

the Korean judicial system ranked high in both speed and quality of the judicial process, as shown in the table below. Further, Korea received the highest score in the areas of "court automation" and "alternative dispute resolution."

Year	Enforcing Contracts	Time Required to Enforce Contract through a First-Instance Court (Calendar Days)	Quality of Judicial Processes Index (0-18)	DTF Score ¹
Korea	1	290	14.5	84.15
China	5	496	15.1	78.23
France	15	395	11	73.04
U.S.A.	16	420	13.8	72.61
Germany	22	499	11	71.32
U.K.	31	437	15	68.69
Japan	51	360	7.5	65.26

¹ The World Bank calculates the Distance to Frontier (DTF) scores on a scale from 0 to 100. The DTF is a score used by the World Bank to indicate the measure of a countries' regulatory environment where 0 represents the lowest performance and 100 represents the highest performance. The DTF scores are computed by considering various factors including (i) the time for resolving the dispute through a first-instance court, (ii) the cost, and (iii) the quality of judicial process.

Doing Business is a publication that has been putting out a series of annual reports for the past 15 years. *Doing Business 2018* provides quantitative indicators on business regulations and the protection of property rights for 190 countries. Among others, it evaluates regulations affecting the enforcement of contracts by measuring the time and cost for resolving a commercial dispute through a first-instance court, as well as the quality of the judicial processes.

For measuring the time required to enforce a contract, *Doing Business 2018* evaluates the average duration of disputes, including from filing through enforcement of the judgment. Korea had a particularly short resolution time of 290 days compared to an average of 577.8 days for other OECD high income countries.²

² The OECD high income countries are countries with a Gross National Income per capita of \$12,236 or more, calculated using the World Bank Atlas method.

The quality of judicial processes index measures whether each country has adopted a series of good practices in its court system in four areas: court structure and proceedings, case management, court automation, and alternative dispute resolution. *Doing Business 2018* reports that Korea is one of only five countries worldwide that received full points for the court automation index. According to the report, Korea has introduced improvements in the past few years since launching an electronic filing system in 2010 that allows electronic document submission, registration, service notification, and access to court documents. Moreover, Korea received the highest score for the alternative dispute resolution index, which measures availability and enforceability of arbitration, voluntary mediation, and conciliation options. In sum, Korea seems to be taking the right steps towards making Korea a favorable forum for litigating disputes.

TRADEMARK, DESIGN & UNFAIR COMPETITION

The Olympics and Ambush Marketing in South Korea

By Sin-Hyun JIN and Alexandra BÉLEC

The 2018 PyeongChang Olympic and Paralympic Winter Games are fast approaching, and among the many topics of interest surrounding the Games, the issue of ambush marketing has become a focus of discussion in South Korea.

Historically, South Korea has not specifically targeted ambush marketing in its laws, although some provisions of the Trademark Act and Copyright Act regulate certain activities typically associated with ambush marketing (such as trademark infringement, protection by copyright of mascots, etc.). More recently, the 2018 PyeongChang Olympic and Paralympic Winter Games Act (the "Special Act") was enacted to prohibit the unauthorized use of Games-related symbols, Olympics logos, slogans, etc., but did not specifically address the issue of ambush marketing when initially introduced, leading to some uncertainty regarding whether such activities might be tolerated.

However, the government has now indicated its intention to regulate these activities by amending the Special Act on

December 30, 2017 to add specific provisions concerning ambush marketing activities surrounding the Winter Games.

While the language of the amendment (codified in Article 25-3) is not particularly detailed, the following provisions have been added with respect to ambush marketing:

"Prevention of Ambush Marketing

Any person other than ones entitled to use Games-related symbols by the PyeongChang Organizing Committee for the 2018 Olympic and Paralympic Winter Games ("POCOG") shall not infringe another party's economic interest by the following, even if Games-related symbols* are not directly used:

- i) Labeling or advertisement that misrepresents a certain company, business operator or its products and services as being related to the Games or POCOG by linking them with national team players, specific games or game facilities

- ii) Labeling or advertisement that misrepresents a certain company, business operator or its products and services as being related to the Games or POCOG by using a registered trademark (limited to word mark)
- iii) Labeling or advertisement that misrepresents a certain company, business operator or its products and services as being related to the Games or POCOG by linking them with support for games or a national team
- iv) Providing or undertaking to provide tickets of games or goods as giveaways which are sold for the POCOG's profit in order to sell the products and services of a certain company, or business operator
- v) Other acts causing misperception of a close relationship to the Games or POCOG by means of (i) to (iv) above"

* Games-related symbols mean any of the following symbols.

1. Games-related insignias, mascots, torches, medals, testimonials, slogans, theme songs, pictograms, the flag of the Games, commemorative money, memorial stamps, public publications, posters, designs of uniforms, and visual symbols, all of which are designated by the POCOG (Look of the Games);
2. Various marks, designs, mottos, music, and sculptures containing the symbols referred to in subparagraph 1;
3. Those similar to the symbols referred to in subparagraph 1.

This amendment will be effective until March 31, 2019. No penalty clause is attached to this amendment; however, violations may give rise to claims for damages compensation under the Korean Civil Code.

KIPO Exercises Its New Enforcement Powers Under the Recently Amended "Dead Copy" Provision of the UCPA Enforcement

By Sung-Nam KIM and Angela KIM

The Korean Intellectual Property Office (KIPO) recently conducted an investigation of a Korean company, Mother Love Inc., for violating the Unfair Competition Prevention and Trade Secret Protection Act ("UCPA"), and issued a corrective order requiring that they cease the manufacture and sales of their home meal replacement product, which is shown below next to an earlier competing product from Egnis Inc.:



KIPO determined that the appearance of the bottle, the label design attached to the bottle, the nature and color of the products (i.e., pastel colored powder), and the overall appearance of Mother Love's products were all substantially identical to Egnis's product, in violation of the "dead copy" provision of the UCPA. The "dead copy" provision of the UCPA prohibits the act of selling, leasing, displaying for sale or lease, importing or exporting a product which imitates the appearance of another's product (i.e., the shape, pattern, color, or combination of such attributes), provided that (i) the imitation product is sold, leased, displayed for sale or lease, imported or exported within three years of the date the original product was first created; and (ii) the product appearance is not commonly used for the subject goods.

This case is unusual because KIPO's investigation was not due to a filed complaint, but rather an exercise of KIPO's powers under the UCPA to investigate violations on its own initiative. Recent amendments to the UCPA (effective

July 18, 2017) expanded KIPO's enforcement authority to include "dead copy" violations, and KIPO's issuance of the corrective order against Mother Love Inc. was the first time KIPO has issued a corrective order to enforce the dead copy provision. Failure to comply with the corrective order will likely result in KIPO's referral of the matter to the police and/or Prosecutors' Office.

Under the amendments, violators of the provision are now subject to criminal penalties ranging from imprisonment

for up to three years or a fine of up to 30 million Korean Won (approximately USD 24,000).

KIPO believes that its proactive measures will particularly benefit small-sized companies, whose creative ideas are frequently copied but who often lack sufficient resources to seek effective legal remedies. KIPO has recently expanded its resources for conducting investigations and as of January 2018, begun accepting infringement reports from members of the public.

KIPO Amends Trademark Examination Guidelines and Classification System

By Sung-Nam KIM and Angela KIM

The Korean Intellectual Property Office (KIPO) recently amended its trademark examination guidelines and classification system, effective as of January 1, 2018. The amendments are summarized below.

1. Distinctiveness of 3D Trademarks

The guidelines previously stated that a 3D shape essentially functions as a design and not a source identifier, and that secondary meaning is required to obtain a trademark registration for a 3D shape unless it is combined with a distinctive element. Accordingly, KIPO examiners normally rejected applications for a 3D shape, even if the shape had no intrinsic connection to the designated goods or services.

The above guideline has been replaced with the following guidelines for determining the distinctiveness of 3D marks:

- If a 3D trademark is for the product configuration itself, the distinctiveness of such a mark cannot be admitted except in combination with a trademark element that is distinctive.
- However, if a 3D mark is not for the shape or form of the product itself, and the shape is not common but very unique for such products or services (e.g., a lion-shaped shape for car), distinctiveness can be admitted.

2. Distinctiveness of University Names

The following guideline has been introduced for determining the distinctiveness of a university name:

- A mark which consists only of a famous geographical indication and the term "university" is not distinctive. However, if the combination mark is recognized as a trademark which indicates a specific source in an "education related field," then depending on the length of time the mark has been in use, the extent to which it has been advertised, and the size and nature of the university, secondary meaning can be admitted. The new guideline also states that "education related field" covers not only the provision of lectures, but also other aspects of a university's operations, such as clothing sales, food sales, etc.

3. Change to the Goods Classification System

KIPO has reclassified some goods into other classes to better reflect current market situations and international standards.

The most notable change affects "health functional foods" (which usually bear health specific/function claims and are regulated). Under the previous classification system, "health functional foods" were classified based on their ingredients. For instance, "fruit based health functional foods" were classified in Class 29 while "grain based health functional foods" were classified in Class 30.

Now, all "health functional foods" are classified in Class 5,

irrespective of their main ingredients, which is in line with the Nice Classification system.

Note, however, "health supplementing foods" which are categorized as "general foods" (since they do not contain

sufficient amounts of any functional ingredient to be "health functional"), are still classified based on their main ingredients. That is, "fruit based health supplementing foods" are classified in Class 29 while "grain based health supplementing foods" are classified in Class 30.

KIPO Amends Design Examination Guidelines

By Hyun-Joo HONG and Jason J. LEE

The Korean Intellectual Property Office (KIPO) recently amended its design examination guidelines, effective January 1, 2018. The most noteworthy amendments are summarized below.

1. Expanding the Scope of Integrity of Partial Designs

If two or more parts which are physically separated in one partial design application are expressed, they are generally rejected as a violation of the "one design - one application" rule. However, if their creative integrity is recognized, the design application can be registered as one design. According to the amended guidelines, the intention of the creator is also considered when determining whether or not the parts physically separated in one partial design application constitute one design. Further, a design will be considered to have configurational integrity if the parts have relevance in being recognized as a single creative unit, and to have functional integrity if the parts have relevance in carrying out the same function.

2. "Fourth Industrial Revolution" Design Applications Are Now Allowed Expedited Examination

The examination of design applications generally takes

around 7~9 months from the application filing date. An applicant can shorten the examination period by requesting expedited examination, which if granted takes around 2~4 months. However, expedited examination is only allowed in certain circumstances set forth in the Design Protection Act Enforcement Decree. Design applications directly related to the "fourth industrial revolution," such as artificial intelligence or Internet of Things, have been added as a subject for priority examination in the Design Protection Act Enforcement Decree, and the design examination guidelines have been amended accordingly.

3. Unclaimed Design Elements Must Be Registrable Even For Partial Designs

The amended guidelines now specify that when determining if a design is unregistrable, the unclaimed parts as well as the claimed parts of a partial design should be taken into account, and reference drawings should be considered. Thus, even if only otherwise-registrable portions of a design are being claimed as a partial design, if unclaimed portions are unregistrable (e.g., for offending public morals), the partial design cannot be registered.

FIRM NEWS

Awards & Rankings

Only Law Firm in Korea to Receive Top Rankings Across All 19 Practice Areas Surveyed - Chambers Asia-Pacific 2018

In the Chambers Asia-Pacific 2018 Guide, a leading legal directory published by Chambers & Partners, Kim & Chang is the only law firm in Korea to receive top rankings ("Band 1") across all 19 practice areas surveyed.



Our firm is also the only Korean firm to receive "Band 1" rankings in three firm categories—Dispute Resolution: White-Collar Crime; **Intellectual Property: Patent Specialist**; and Technology, Media, Telecoms (TMT).

Additionally, our firm has once again been ranked for International Arbitration – Asia-Pacific Region (in "Band 4"). We have also been recognized for our North Korea-related work by being ranked in "General Business Law – North Korea."

Below are the details of our firm rankings:

South Korea ("Band 1" in All 19 Practice Areas)

- Banking & Finance
- Capital Markets
- Competition/Antitrust
- Corporate/M&A
- Dispute Resolution: Arbitration
- Dispute Resolution: Litigation
- Dispute Resolution: White-Collar Crime
- Employment
- Insurance
- **Intellectual Property**
- **Intellectual Property: Patent Specialist**
- International Trade
- Projects & Energy
- Real Estate
- Restructuring/Insolvency
- Shipping
- Shipping: Finance
- Tax
- Technology, Media, Telecoms (TMT)

North Korea

- General Business Law: Desk based Abroad in South Korea

Asia-Pacific

- Arbitration (International): Band 4

On an individual lawyer/professional level, we broke our own record by five, having a total of 60 attorneys, patent attorneys, and accountants recognized as "Leading Individuals" across all surveyed practice areas. 17 additional professionals have been recognized as "Other Noted Practitioners." In the Intellectual Property practice area, **Duck-Soon Chang, Sang-Wook Han, Young Kim, and Jay (Young-June) Yang** have been selected as "Leading Individuals," and **In Hwan Kim, Ann Nam-Yeon Kwon, and Seong-Soo Park** have been recognized as "Other Noted Practitioners."

Only Korean Law Firm to be Top-ranked in All 16 Practice Areas Surveyed - The Legal 500 Asia Pacific 2018

In The Legal 500 Asia Pacific 2018, one of the most prominent guides to the legal market in Asia, Kim & Chang is the only Korean law firm to be top-ranked ("Tier 1") in all of the following 16 practice areas surveyed:



Antitrust and competition, Banking and finance, Capital markets, Corporate and M&A, Dispute resolution, Insurance, **Intellectual property, Intellectual property: patents and trade mark attorneys**, International arbitration, Labour and employment, Projects and energy, Real estate, Regulatory compliance and investigations, Shipping, TMT (Technologies, Media & Telecommunications), and Tax

Particularly noteworthy is that we are the only Korean firm to receive "Tier 1" ranking in the **"Intellectual property: patents and trade mark attorneys"** category.

In addition, The Legal 500 named 21 Kim & Chang professionals as "Leading Individuals" and 7 professionals as "Next Generation Lawyers" in their respective practice areas. In the Intellectual Property practice area, **Jay (Young-June) Yang** has been selected as a leading individual.

The Legal 500 Asia Pacific, published by Legalease, is a

leading publication offering comprehensive analysis of law firms across Asia Pacific. In addition to the Asia Pacific edition, The Legal 500 series provides comprehensive worldwide coverage on recommended legal service providers in over a hundred countries based on in-depth research and interviews with corporate counsel from around the globe.

Kim & Chang Beats Its Own Record, Achieving Highest Rankings in All 18 Practice Areas - Asialaw Profiles 2018

Kim & Chang is the only Korean law firm to receive "Outstanding," the highest possible ranking, in the 22nd edition of Asialaw Profiles 2018 across all of the following 18 practice areas:



Banking & Finance, Capital Markets, Competition & Antitrust, Construction & Real Estate, Corporate/M&A, Dispute Resolution & Litigation, Energy & Natural Resources, Financial Services Regulatory, Insurance, **Intellectual Property**, Investment Funds, IT, Telco & Media, Labour & Employment, Private Equity, Projects & Infrastructure, Restructuring & Insolvency, Shipping, Maritime & Aviation, and Taxation

Additionally, we are the only Korean firm to be awarded "Outstanding" in the Financial Services Regulatory and Intellectual Property practice areas.

Further, **Jay (Young-June) Yang** has been selected as a leading lawyer in the Intellectual Property practice area.

Asialaw Profiles, published by Legal Media Group of Euromoney Institutional Investor PLC, is a guide to Asia Pacific's leading law firms and lawyers. Asialaw Profiles determines its rankings through in-depth research and interviews with lawyers and law firm representatives.

Kim & Chang Ranked Among Top Trademark Firms in WTR 1000 2018

Kim & Chang has once again been recognized as one of the top trademark law firms in Korea by World Trademark Review (WTR), earning the top "Gold Band" ranking in the categories



of Enforcement & Litigation and Prosecution & Strategy in the eighth edition of WTR 1000 – The World's Leading Trademark Professionals.

In addition, 6 Kim & Chang attorneys – **Jay (Young-June) Yang, Ann Nam-Yeon Kwon, Sung-Nam Kim, Alex Hyon Cho, Alexandra Bélec,** and **Jason J. Lee** – were recognized as leading practitioners.

WTR 1000 is the first and only definitive guide exclusively dedicated to identifying the world's leading trademark professionals. Their rankings are based on in-depth research and interviews with hundreds of trademark specialists across the globe.

Trademark Firm of the Year - 2017 Asia IP Awards

Kim & Chang has been named "Trademark Firm of the Year for South Korea" at the 2017 Asia IP Awards. The ceremony was held in Oakland, New Zealand on November 3, 2017, and **Jong-Kyun Woo**, a senior trademark attorney in the firm's IP Practice, attended the awards presentation.

Asia IP is published by Apex Asia Media Limited, an independent publisher based in Hong Kong, and offers an extensive range of in-depth features and resources essential for IP-owning firms active in Asia and international law firms that want to keep ahead of the key issues.

EVENTS

ECUPL Guest Lecture Session in Shanghai, December 17, 2017

Sun-Young Park, a trademark attorney in Kim & Chang's IP Practice, gave a lecture as a guest speaker at East China University of Political Science and Law (ECUPL) in Shanghai, China on December 17, 2017. Ms. Park presented on "Overview of Korean Trademark Practice and Recent Trends in Court Decisions."

Co-organized by ECUPL's College of IP Law and IP Law Research Center, etc. in celebration of the ECUPL's 65th anniversary, the lecture was well received by many participants including the ECUPL's alumni and IP law students. It provided a unique opportunity to enhance the attendees' understanding of recent trademark developments and trends in Korea as well as the differences between the Chinese and Korean IP systems.

KJPAA Seminar in Osaka, January 11, 2018

Tae-Ho Min and **Jun-Seo Lee**, patent attorneys in Kim & Chang's IP Practice, presented at a seminar organized by the Kinki Branch of Japan Patent Attorneys Association (KJPAA) in Osaka, Japan on January 11, 2018. Mr. Min spoke on "Patent Practice in Korea," while Mr. Lee spoke on "Trademark & Design Practice in Korea."

The seminar served as a great platform for networking among IP practitioners and industry professionals. It also enhanced the attendees' understanding of recent IP developments and trends in Korea as well as the differences between the Japanese and Korean IP Systems.

Patente 2018 in Munich, March 13-14, 2018

Duck-Soon Chang, a senior attorney in Kim & Chang's IP Practice, has been invited to speak at the Patente 2018 Conference, which will be held in Munich on March 13-14, 2018. Mr. Chang will present on the subject of "Patent Disputes in Korea – Overview and Case Study (Patentstreitigkeiten in Korea – Überblick und Case Study)" during the "Country Forum 2 – Asia (LÄNDER-FACHFORUM 2 – Asien)" session on Wednesday, March 14, 2018.

Organized by Management Circle AG and sponsored by several firms, including Kim & Chang, the event is expected to be a premier platform to bring together IP professionals from around the world for information exchange, cooperation, and networking under the theme of "Innovation in IP."

IP Newsletter

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