Newsletter

KIM & CHANG
INTELLECTUAL PROPERTY

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PATENT

Amendments to the Korean Patent Act to Implement Patent Law Treaty

By Young Hwan YANG, Alice Young CHOI and Jeonghui CHO

On April 29, 2014, a bill of amendments to the Korean Patent Act was passed by the Korean National Assembly in order to implement the Patent Law Treaty, which seeks to harmonize patent procedures in its member countries. The proposed amendments to the Korean Patent Act were signed into law by the president on June 11, 2014. The newly enacted amendments ("Amendments") include a number of important changes to Korean patent procedures, such as relaxing requirements for obtaining the filing date of a patent application. Most of the changes in the Amendments will go into effect on January 1, 2015.

Overall, these amendments will provide better protection and other practical benefits for parties who apply for patents in Korea. Some of the notable changes are briefly discussed below.

Relaxed Requirements for Obtaining the Filing Date of a National Patent Application

Under the current Patent Act, the filing date of a national patent application filed directly in Korea is obtained when a patent specification prepared in the Korean language according to the formality requirements defined in the Patent Act is filed with the Korean Intellectual Property Office. However, preparing a patent specification that meets all of the required formalities, including translation, often takes a significant amount of time, and results in delays in filing. Articles 42-2 and 42-3 of the Amendments help resolve this problem by easing the language and formality requirements for patent specifications. Specifically, the Amendments allow an applicant to obtain the filing date of a patent application as long as any form of an invention description is filed, even if it is in a foreign language (at this time, English has been selected as the only accepted foreign language but additional foreign languages are expected to be accepted in the future). These relaxed requirements under the Amendments will allow applicants to quickly establish a filing date by, for example, simply attaching a foreign language research paper to the application without a formal specification or further translation.

It should be noted, however, that an applicant who obtains a filing date without filing any claims or using a foreign language specification must file the claims and/or the Korean translation within 14 months of the earliest priority date. Failure to do so will result in the patent application being considered to have been withdrawn.

Reliance on PCT and Foreign Language Patent Applications for Corrections

For PCT international applications in a foreign language as well as other foreign language patent applications, the Amendments provide that the proper basis for amending the specification of a Korean application will now be the "original" foreign language specification, not the Korean translation. However, in order to facilitate the examination of patent applications and provide accurate Korean translations of the application to the general public, the Amendments also provide that any amendments beyond the scope of the Korean translation can be the basis for a rejection by an examiner (although such amendments cannot constitute a ground for invalidation of a granted patent). Further, Articles 42-3(6) and 201(6) of the Amendments implement a new system that allows Korean translations of foreign language patent applications to be corrected within the scope of the originally-filed foreign language document. Thus, the Amendments are expected to significantly benefit foreign applicants, who will now be able to correct typographical errors or translation errors made in the process of translating the PCT international application into the Korean language and thereby more effectively protect the full scope of their patent rights.

Extension of Time to Submit Korean Translations of PCT Applications

Under the current Patent Act, in order for a PCT international application to enter the Korean national phase, it must be filed in Korea within 31 months of the priority date, and a Korean translation of the PCT application must be submitted with the application. Article 201(1) of the Amendments extends the translation submission deadline by allowing the applicant to request a one-month extension of time for submitting the Korean translation when the Korean national phase application is filed. In other words, the applicant will now have up to 32 months from the priority date to submit the Korean translation of a PCT international application when entering the Korean national phase (although the national phase application itself still must be filed within 31 months). Thus, it will be significantly easier for foreign patent applicants to file in Korea, who will no longer have to prepare a Korean translation simply to obtain a filing date.

Other Changes

The Amendments clarify the definitions of a number of terms in the Korean Patent Act in order to conform terminologies used in Korean patent applications and PCT international applications to international standards.

In addition, the Amendments ease the conditions for requesting restoration of rights in the case of a withdrawn patent application for non-payment of fees, by allowing the applicant to restore its patent rights regardless of whether or not the patent is being worked and reducing the fees that must be paid for such restoration of rights.

Utility Models May Warrant a Second Look

By Yoon Ki KIM, John J. KIM and Tae Hyun KIM

Compared to patents, utility models are often given less attention, as they only protect the shape or structure of an article and have a much shorter duration—10 years of protection from the filing date (as opposed to 20 years for patents).[1] However, utility models may be worth a second look, particularly for inventions with short lifespans or that may involve a relatively lower or incremental level of inventiveness.

Under the Korean Utility Model Act, a utility model lacks inventiveness "if it could have been conceived by those skilled in the art 'very easily' in view of the prior art." In contrast, under the Korean Patent Act, a patent lacks inventiveness if it could have been conceived "easily" in view of the prior art.

More specifically, the Korean Supreme Court held that a utility model can be inventive over the prior art if the utility model provides an incremental level of useful value over the prior art unlike the inventiveness of a patent which requires a "remarkable" effect accruing from the claimed invention. (*See* Supreme Court Case No. 96Hu1637 rendered on July 8, 1997).[2]

Further, a look at the invalidation rate for patents and utility models reveals that the invalidation rate for utility models has historically been about 5-10% lower than for patents.

Utility Models	2008	2009	2010	2011	2012
Total No. of Actions	179	121	99	121	87
No. of Invalidation	118	82	74	70	48
Invalidation Rate	**65.9%**	**67.8%**	**74.7%**	**57.9%**	**55.2%**

Patents	2008	2009	2010	2011	2012
Total No. of Action	530	472	509	583	621
No. of Invalidation	376	346	347	381	416
Invalidation Rate	**70.9%**	**73.3%**	**68.2%**	**65.4%**	**67%**

[Invalidation Rate of Utility Models and Patents in Recent Years][3]

While this may not appear to be statistically significant, it should be noted that, until October 1, 2006, no substantive review was required before a utility model could be registered.[4] Thus, although utility models were required to be substantively reviewed before they could be asserted in an infringement action, it seems likely a higher proportion of utility model applications prosecuted before 2006 would have been of "lower" quality compared to regular patent applications, which should have resulted in a higher relative invalidity rate for utility models (all other things being equal). The fact that the rate has been significantly lower suggests that utility models are more difficult to invalidate in practice than patents (though of course caution is warranted given the relatively limited number of actions involving utility models).

Additionally, the fees charged by the Korean Intellectual Property Office ("KIPO") related to filing, registering, and maintaining a utility model are less than half of those charged for a patent—for maintenance of a ten year term (8 years of annuities assuming 2 years of examination after filing), the fees would amount to about USD 1,200 for a utility model versus about USD 2,800 for a patent.[5] Further, since some technologies may become obsolete in fewer than 10 years, it would not make sense to maintain a patent on such technologies for a full 20 year patent term (especially since the later years of the patent term are significantly more expensive to maintain).

In sum, despite the shorter 10 year term,[6] utility models may be worth a second look for inventions that (1) are likely to have a short lifespan or (2) apply to fields where most improvements are incremental and thus may have difficulty meeting the inventiveness standards for patents.

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[1] Utility model protection is not available for methods, processes, and material inventions, including chemical products/processes or new medicinal use claims.

[2] The Korean Examination Guidelines provided by KIPO does not provide specific details regarding how the lower "very easily" standard should be applied to utility models differently from the "easily" standard applied to patents. Thus, in practice, it may sometimes be challenging to persuade the Examiner to apply the proper standard of inventiveness.

[3] The underlying data for these invalidation rates was obtained from KIPO's website at http://www.kipo.go.kr/kpo/.

[4] Prior to October 1, 2006, utility models were typically registered within 4-6 months of filing the application, with only a basic review of formalities by KIPO. However, before a utility model owner could assert an action, the registered utility model had to undergo substantive review. After October 1, 2006, all statutory requirements for patentability (i.e., novelty, inventive step, sufficient support, etc.) are examined prior to registration, much like regular patents.

[5] In a hypothetical comparison between a Korean utility model and a Korean patent, in which makes one priority claim and contains 10 claims (and without including the cost of any office actions issued during prosecution), the total official KIPO fees (filing fees, examination request fees, registration fees and annuities) charged after ten years from the filing date (assuming 2 years of examination and 8 years of annuities) would be about **USD 1,175 for a utility model** versus about **USD 2,765 for a patent** (based on the exchange rate as of July 31, 2014, which is USD 1 / KRW 1,020.60, and the official fees listed as of July 2014).

[6] It is possible to make up for the shorter lifespan in part by requesting examination concurrently with the filing (as opposed to waiting out the full 3-year deferred examination period available for utility models).

Beyond Remsima™ and Herzuma™: Biosimilar Regulations in Korea

By Mee-Sung SHIM, H. Joon CHUNG and Eun-Jung CHO

The global market for biosimilars is expected to be worth nearly USD 2 billion by 2018. The Asia-Pacific market, which accounts for 29% of the global market, is forecast to grow the fastest. In 2009, Korea adopted a legal framework and regulatory pathway for approval of biosimilars that was primarily adapted from the European model. Since implementing the biosimilar pathway, two products—Remsima™ (infliximab) in 2012 and Herzuma™ (trastuzumab) in 2014, both developed by Celltrion— have been approved.

Legal and Regulatory Pathway

Marketing authorization for a biosimilar product in Korea is based upon a regulatory assessment that an applicant has demonstrated the product's "comparability" to the reference biologic drug under the relevant guidelines. According to the Ministry of Food & Drug Safety (MFDS), the term "comparability" is defined as "a scientific comparison of a biosimilar product and a reference biologic drug with the goal of establishing that no detectable difference exists in terms of quality, safety, and efficacy." The MFDS will exercise discretion when assessing the comparability of a biosimilar product to the reference product. Further, while product-specific guidelines for demonstrating comparability are currently available only for some products, including somatropin, erythropoietins and recombinant granulocyte-colony stimulating factor, the MFDS reportedly is committed to updating its guidelines.

Products Currently Eligible for the Biosimilar Pathway

According to the MFDS, whether the biosimilar pathway applies to a certain biopharmaceutical product depends on the state of the art to which it is related, for example, analytical procedures, manufacturing processes and the availability of sensitive clinical endpoints and model conditions. Thus, although all biopharmaceutical products are theoretically eligible for approval under the biosimilar pathway, not all biological products currently may be eligible for approval as a biosimilar product.[1] According to the MFDS, present technology can support findings as to the comparable quality, safety and efficacy of "recombinant DNA products" only.[2] Therefore, the MFDS currently does not review any drug applications related to other types of biosimilar products.

International Non-proprietary Name (INN) Policy on Biosimilars and Drug Prices

While debates over whether a biosimilar product should share the same INN as its reference counterpart loom in other jurisdictions, especially in the U.S. (e.g., Amgen's Citizen Petition filed December 20, 2013 in response to GPhA and Novartis' Citizen Petitions regarding the U.S. FDA's INN policy on biosimilar products), the MFDS' current position is to grant the same INN for both the reference and the approved biosimilar products, as demonstrated with Remsima™ and Herzuma™. However, it is likely the MFDS' position, based on only these two cases, may undergo several permutations as the world biosimilar industry, based on science and familiarity, matures.

This INN policy has important commercial implications for drug pricing. In Korea, once a biosimilar drug with the same INN enters the market, the price of the original drug drops by 30%.

Trade Secret Protection for Reference Product Data

In Korea, information related to analytical, preclinical and clinical data as part of a reference product application submitted by innovators is considered trade secret information and protected from public disclosure, including from biosimilar applicants. However, the MFDS regulations, in reliance on reference product data, exempt biosimilar applicants from submitting some CMC, clinical and non-clinical data. The MFDS's examination practice raises certain questions, including:

- Despite recognition of reference product data as trade secrets, how far may the MFDS legally rely on reference product data for approval of a biosimilar product?

- What internal process will the MFDS implement to prevent any improper reliance on trade secrets during biosimilar examination (e.g., can biosimilar application reviewers also review the reference product's trade secret information)?

The framework for trade secret protection is not yet finalized. As in other jurisdictions, we expect these issues to evolve with the industry.

Implications of the Korean Patent Linkage System on Biosimilar Products

Under the Korea-U.S. Free Trade Agreement enacted in 2011 and effective on March 15, 2012, Korea is now enforcing a patent linkage system for all pharmaceutical products, both traditional "small molecules" and biologics. The Korean patent linkage system, mirroring the U.S. Hatch-Waxman Act, establishes a regulatory framework that seeks to balance incentives for continued innovation by innovator companies and opportunities for market entry by generic drugs.[3]

We should note that regulating both traditional "small molecules" and biologics under the *same* patent linkage

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[1] This guidance by the MFDS appears to be similar to that of the U.S. FDA, whose guidelines indicate that a certain product may be *ineligible* for approval due to science and experience with the particular product class.

[2] A "recombinant DNA product" is defined as a medical product containing peptides or proteins as a drug substance produced by recombinant engineering. Recently, the MFDS has established standards for non-clinical and clinical trials required for proving comparability to an approved monoclonal antibody drug (reference drug). The "recombinant DNA product" does not include vaccines, plasma-derived products or biological orphan drugs.

[3] The current version of the linkage regulations are subject to change until March 2015 when the regulations will be enacted.

system is a significant distinction from the U.S. system. Accordingly, a biological innovator may list a patent covering its product on the Green List (the Korean equivalent of the U.S. FDA's Orange Book) after the MFDS examination and will be able to seek a stay against biosimilar launch, as in a typical "Paragraph IV" litigation under Hatch-Waxman. According to the most recently announced draft legislation, the length of the stay will be 12 months. Conversely, a biosimilar manufacturer will be obligated to notify the reference product patent holder or market approval holder if the biosimilar manufacturer asserts that the listed patent or patents are not infringed or invalid.

Considerations for Industry

As in other jurisdictions, the current biosimilar pathway in Korea is intended to avoid unnecessary repetition of data production. However, many of the issues related to biosimilar products are still very new and the current regulations leave a number of critical questions unanswered. As the MFDS is confronted with more issues on biological products, it is expected to shape a more defined regulatory framework. Companies currently engaged in developing and marketing biological products will need to pay close attention to these developments.

Korean Court Holds for the First Time that "Skinny Labeled" Generic Still Infringes a Patent for a Non-labeled Indication

By Young KIM, Yu-Seog WON and In Hwan KIM

Summary

Where a drug is approved for multiple indications, one or more of which (but not all) is covered by a patent, a question may be raised whether a generic company infringes that patent by making or selling a generic version of the drug for any use. In general, if a generic company makes or sells a generic drug for an indication which is not covered by a patent, then it is not infringing the patent. However, in *Warner-Lambert Company LLC, et al. v. Samjin Pharmaceutical* (Seoul Central District Court Decision No. 2013 Kahap 1717 rendered on February 5, 2014), the generic company was held to infringe the asserted patent even though its product information leaflet carved out the patented indication ("skinny labeling"). This is the first time a Korean court has decided the issue of whether a generic product with skinny labeling infringes a patent for a non-labeled indication.

Facts

Korean Patent No. 491,282 ("Present Patent") is directed to a second use of pregabalin[1] for treating pain, which is the main indication for Lyrica®, one of Pfizer's best selling drugs.[2] Pregabalin was first developed as a medicine for treating epilepsy. Lyrica® has been approved for both epilepsy and pain indications.

Due to the Present Patent, some generic companies obtained market approvals for their generic drugs only for the epilepsy indication. However, other generic companies, including Samjin Pharmaceutical and CJ, obtained market approvals for both epilepsy and pain indications. Subsequently, after filing invalidation actions against the Present Patent with the Intellectual Property Tribunal ("IPT"), these other companies launched their generic products. As a result, the patentee and its exclusive licensee, Pfizer Korea, filed a first patent infringement action against CJ, in which Pfizer successfully obtained a preliminary injunction from the Seoul Central District Court on May 20, 2013.[3]

After the Seoul Central District Court decision against CJ, Samjin deleted the pain indication from its product information leaflet while maintaining its product approval for the pain indication. Thus, the patentee and Pfizer

[1] Pregabalin is (S)-3aminomethyl-5-methylhexanoic acid, which is known to be a derivative of a depressive neurotransmitter, GABA (gamma-aminobutyirc acid).

[2] The present invention was conceived by a research team at Northwestern University and then assigned to Warner-Lambert LLC., a subsidiary of Pfizer.

[3] *See* Kim & Chang Newsletter – Summer/Fall 2013, article titled "Pfizer Successfully Obtains Preliminary Injunction in Korea with Correction Pending Patent Claims."

Korea filed another patent infringement action seeking a preliminary injunction against Samjin.

Issue

As its main defense, Samjin argued that since it manufactured and sold its product only for the epilepsy indication, it did not practice the invention embodied in the Present Patent. Further, Samjin claimed that because it stopped selling its product for the pain indication, it should not be held liable for medical doctors prescribing its product for the pain indication since such prescriptions were made independently by such doctors. Since, unlike the U.S., an act of inducing patent infringement is not recognized as patent infringement under Korean patent law, the main issue in the case was whether Samjin itself was practicing the invention of the Present Patent.

Samjin also argued that the Present Patent was invalid. However, because the IPT had already held the Present Patent valid and been affirmed by the Patent Court, patent validity was not a major issue in the infringement action.[4]

Court Decision

The Seoul Central District Court issued a preliminary injunction order against Samjin, holding that Samjin committed acts of practicing the invention of the Present Patent.

In reaching its decision, the Court noted the following facts.

(i) Samjin obtained market approval and listed the maximum reimbursement price for its product for both pain and epilepsy indications.

(ii) Immediately after the market approval and price listing, Samjin began to market its product for the pain indication, as demonstrated in local industry newspapers reporting Samjin's marketing activities.

(iii) Although Samjin argued that it deleted the pain indication from its product information leaflet, it still mentioned the efficacy of the drug for the pain indication in the general warning section.

(iv) Between May 22, 2013 and October 18, 2013, Samjin's product was prescribed 1,541 times for the pain indication but only 38 times for the epilepsy indication.

In view of the above facts, the Court found that Samjin had fully completed its administrative preparations for manufacturing and selling the accused product for the pain indication. The Court further found that Samjin actually had begun to manufacture and sell the accused product for the pain indication and, even after the IPT decision holding the Present Patent valid, that Samjin planned to sell the accused product for the pain indication. Moreover, the accused product was largely being prescribed for the pain indication as of the decision in the present infringement action. The accused product was also listed as a pain treatment drug in many hospitals and Samjin's sales of the accused product were still increasing.

As such, the Court concluded that Samjin committed acts of practicing the invention of the Present Patent by manufacturing, selling or offering to sell the accused product for the pain indication.

Regarding Samjin's deletion of the pain indication from its product information leaflet, the Court specifically noted that the accused product is a prescription drug, and that medical doctors would pay more attention to facts on the market approval and pricing of the accused product rather than the product information leaflet. Thus, the fact that the pain indication was deleted from the product information leaflet alone would not have any meaningful influence on the decisions by medical doctors to prescribe the accused product. As a result, the Court found that Samjin clearly manufactured and sold the accused product for the pain indication regardless of its deletion of the pain indication from the product information leaflet.

Comments

This case is not a typical skinny labeling case since the generic company maintained its product approval for the patented indication, although it carved out the patented indication from its product information leaflet. It is unclear whether Samjin would still be held liable for patent infringement if its product approval was only based on the non-infringing indication (particularly where doctors continued to prescribe the accused products for the patented indication). However, it seems that Korean courts will decide whether a generic company has substantially practiced a patented invention after considering the totality of the circumstances, as in the above case.

[4] The generics' appeal of the Patent Court decision in the invalidation action is currently pending before the Supreme Court.

Korean Supreme Court Requires Review of Specification to Define Technical Meaning for Claim Construction

By Sang-Wook HAN, Kwang-Jik LEE, Tommy KIM and Yeon Tae JUNG

Recently, the Korean Supreme Court clarified its guidance on claim construction for determining the technical meaning of a claimed invention. Previously, the Korean Supreme Court's holdings were divided in two camps: (i) in cases where the scope of the claim was apparent from the language of the claim, the Court held that the claim should be construed based on the claim language itself and cannot be construed restrictively based on the specification (Supreme Court Case Nos. 2004Hu776 rendered on October 13, 2006, 2008Hu4202 rendered on June 24, 2010, and 2010Hu1107 rendered on July 14, 2011); at the same time (ii) the Court held that since the technical meaning of a claimed invention cannot be clearly understood without considering the specification, the claim should be construed objectively and reasonably based on the detailed description or drawings in addition to the ordinary meaning of the language of the claim (Supreme Court Case Nos. 2005Hu520 rendered on September 21, 2007, 2008Hu26 rendered on January 28, 2010, and 2010Hu3219 rendered on November 10, 2011).

Consequently, courts tended to first focus on the plain and ordinary meaning of a claim term in determining the scope of a claim (without reviewing the detailed description and drawings) and did not further look into the technical meaning of the claimed invention if the claim scope seemed clear, although this sometimes varied based on the court's discretion. This generally had the effect of broadening the scope of a patent, particularly for validity analysis, and ultimately, made it difficult to defend against invalidity attacks. However, in a recent ruling, the Korean Supreme Court held that in addition to the ordinary meaning of a term, the claims must generally be construed in light of the detailed description and drawings of the specification by defining the technical meaning of the claimed element in view of the purpose and effect of the claimed invention (*Canon v. Alphachem, et al*., Supreme Court Case No. 2012Hu917 rendered on July 24, 2014).

In particular, on July 24, 2014, the Korean Supreme Court rendered a decision in a patent litigation between Canon and Korean manufacturers of printer parts. The Supreme Court found Canon's patent directed to a photoconductive drum was valid and infringed, and issued an order enjoining the defendants from making and selling the infringing photoconductive drum and to compensate Canon for damages.

Prior to this case, Korean courts often construed the scope of claims by considering only the language recited in the claims, and invalidated patents on grounds that such broadly-construed claims read on the prior art. However, in the present case, the Supreme Court held that the specific technical meaning of a claim feature must generally be construed in light of the detailed description of the invention considering the purpose and effect of the claimed invention, thereby providing more leeway for patentees to effectively defend against invalidity assertions.

Specifically, the Supreme Court contemplated the issue of whether construing the claims during an invalidation action in light of the detailed description and drawings is proper, even where the dictionary meaning of the claim language is clear, or whether doing so constitutes an unduly limited construction of claim scope.

In upholding the validity of the patent in view of the patent's detailed description and drawings, the Court stated, "the scope of a patented invention must be construed in an objective/reasonable manner based on the plain language of the claims and also in light of the invention's detailed description and drawings, [and]… where it is difficult to fully understand the inventive features from the claim language alone, other disclosures of the specification, including the drawings, should be considered to determine the technical features of the invention." (*Canon*, Supreme Court Case No. 2012Hu917, at 2). Further, the Court noted the purpose of the claimed invention, how the claimed element at issue achieves the purpose, and the effect of the claimed invention in defining the technical meaning of the claimed element (*Id*.). Thus, the Supreme Court now appears to require an objective/reasonable interpretation of the claims based on the detailed description and drawings, and a clear understanding of the claimed "technical features" in view of the purpose and effect of the invention, beyond the simple ordinary meaning of the claim language.

Going forward, the present ruling will make it easier for patentees to defend against validity attacks.

TRADEMARK & DESIGN

SPA Loses Distinctiveness in Korean Cosmetic Industry

By Hoe Kee LEE, Cecile Su-Jung KWON and Alexandra BÉLEC

On September 4, 2014, the Supreme Court confirmed the Patent Court's recent ruling that the term SPA is no longer distinctive for cosmetics in Korea, and has not been since at least 2012 (Supreme Court Case No. 2014Hu1020). This decision is significant because the Supreme Court previously recognized in 2003 that the term SPA had been distinctive in the Korean cosmetic industry around 1999.

The subject of the action was the HAIR SPA mark owned by a major cosmetic company, which was found invalid despite the fact the same company owns many registrations for SPA-inclusive marks in Korea. The Patent Court noted in its decision that in the current Korean market, many cosmetic companies use the term SPA in a descriptive manner to express the moisturizing effect of their products, many cosmetic companies also operate spa facilities where the term SPA is used in connection with their services, and consumers frequently use expressions such as "SPA COSMETIC" to describe certain types of moisturizing cosmetics. As a result, Korean consumers recognize and understand this word to be generally related to certain types of skin care services and cosmetics. The Patent Court thus concluded that the term SPA was used in the Korean market to describe the efficacy and use of certain cosmetic products, and as such lacked distinctiveness for such products.

Amendments to the Korean Trademark Act

By Sung-Nam KIM and Nayoung KIM

Amendments to the Korean Trademark Act ("TMA") have been published on June 11, 2014, which are effective immediately. The amendments apply to marks filed on or after June 11, 2014.

1. Secondary meaning easier to prove

The previous TMA permitted registration of trademarks lacking distinctiveness if the mark had acquired secondary meaning, but the applicant was required to show that consumers would *easily* recognize the trademark as a source identifier. The amendment lowers this standard by deleting "easily" from the TMA, in order to respect the goodwill of trademarks that may already function as source identifiers in the marketplace.

2. Marks that may cause dilution are denied registration

Trademarks that create consumer confusion with famous marks already are not allowed to be registered under the TMA. However, the amendment further prevents the registration of marks that may potentially dilute the distinctiveness and/or reputation of a famous mark.

3. Unfair applications are denied registration

The amendment also specifically denies registrations for applications filed for a mark which is identical or similar to a third party's mark in connection with identical or similar goods, despite knowledge that the third party is using or planning to use the mark pursuant to a partnership agreement, employment relationship, business transaction, or other relationship.

4. Reflection of changes in unfair competition law

As of January 31, 2014, the Unfair Competition Prevention and Trade Secret Protection Act adopted a "catch-all" provision, designed to prevent a party from infringing a third party's economic interest by using (through a method that contravenes fair trade practice or competition order) that third party's product for business purposes without authorization, where the third party's product was the result of considerable effort and investment.

The amendment to the TMA prevents use of a registered mark by a registrant and/or licensee without consent of the third party, if use of the registered mark falls within the scope of the above UCPA "catch-all" provision. Further, the registered mark can be cancelled within five years from the registration date for violating the "catch-all" provision if a cancellation action is filed by the party whose economic interests are being infringed.

Korea Joins the Hague Agreement, Amends Design Act

By Sung-Nam KIM, Nayoung KIM and Inchan Andrew KWON

As of July 1, 2014, pursuant to Korea's recent accession to the Geneva Act of the Hague Agreement Concerning the International Registration of Industrial Designs ("Hague Agreement"), the procedures of the Hague Agreement are now effective in Korea, as well as a number of new amendments to the Korean Design Protection Act ("Act"). These amendments provide greater protection for parties that apply for design rights in Korea, and also make the design application process easier and more practical. We anticipate that more companies and individuals will utilize design registrations as an added tool to help protect and maintain their intellectual property interests in Korea. Some of the more notable changes are briefly discussed below.

1. Implementation of International Design Applications

Similar to the PCT for patents or Madrid Protocol for trademarks, international applications for designs may now be filed through a single application pursuant to the Hague Agreement. Specifically, it is now possible to forward a single design application to WIPO while designating several countries for registration of the design.

2. Extension of Protection Period

The duration of a design right under the amended Act has been extended from fifteen years from the registration date to twenty years from the application date.

3. Reduction of Designs Eligible for Non-Substantive Examination

The previous Act allowed applicants to file "non-substantive examination" applications for designs of food, clothing, shoes, fabrics, bedding, calculators, stationery, computer graphics, icons, etc. (which will then be registered after a very basic review of formalities). However, the amended Act reduces the types of goods that are eligible for non-substantive examination as follows:

[Class 2] Clothing and fashion items
E.g., underwear, lingerie, corset, brassiere, pajama, clothing, hat, shoes, socks, stocking, tie, scarf, muffler, handkerchief, gloves, etc.
[Class 5] Fiber, sheet and fabrics
E.g., spun articles, lace, needlework, ribbon, string for ornamental purpose, fabric, sheets, etc.
[Class 19] Stationery, office supplies, fine art materials
E.g., writing paper, letter, card, stationery, calendar, book, note, fine art materials, printed matter, office supplies, etc.

Thus, designs for food, bedding, curtains, computer icons or graphics are no longer eligible for non-substantive examination.

4. Adoption of Related Design System

The previous Similar Design system is abolished under the amended Act. The purpose of the former similar design registration practice was to make clear the scope of what is similar to an earlier-filed principal design by requiring similar designs by the same registrant to be separately registered. As a result, such similar design registrations could not be maintained if the principal design registration was itself invalidated.

The new amendment instead adopts a "Related Design" system, recognizing an independent scope of protection and duration for a Related Design, and thereby strengthening the protection for designs similar to an original design. An application for a Related Design must be filed within one year of the filing date of the application for the original design. Unlike the Similar Design system, a Related Design will continue to remain valid even if the original design is invalidated. However, the protection period of a Related Design remains identical to that of the original design.

5. Claiming Exception to Public Disclosure

To be valid, a design application generally cannot have been made public prior to the filing date of the application. However, an exception is available if the design application is filed within six months of a public disclosure.

Previously, applicants were required to state their intention to claim this exception at the time of filing the application. The applicant also was required to submit documentation of the public disclosure within thirty days of filing the application. However, with the amended Act, the above exception to loss of novelty can be claimed even after filing the application, e.g., when an examiner issues a preliminary rejection or when a third party files an opposition or invalidation action.

6. Changes to the Multiple Design System

The previous Act allowed up to 20 multiple designs in one application, but only for designs designated for non-substantive examination. The amended Act allows up to 100 designs for one application under the same class,

regardless of whether the designs are subject to non-substantive examination.

In addition, pursuant to the new amendments, requests to keep a design secret or to lay open an application do not have to apply to the entire group of multiple designs. Further, registration may be granted or denied as to a portion of multiple designs only.

7. Improved Procedure for Filing Applications

Under the amended Act, examiners will no longer return design applications for re-filing due to substantive errors. Instead, the applicant may simply supplement the application, and the date of supplementation will become the new filing date.

8. Discretionary Revisions to Applications by the Examiner

Under the amended Act, the examiner has the authority to make revisions to the application if there is an obvious error (e.g., typographical errors).

Tips for Filing International Design Applications Designating Korea

By Sung-Nam KIM and Inchan Andrew KWON

As of July 1, 2014, it is now possible to designate Korea when filing international applications under the Hague Agreement Concerning the International Registration of Industrial Designs ("Hague Agreement"). The followings are several tips to keep in mind when designating Korea on such an application.

1. Governing Act

Korea is a member of the 1999 Geneva Act of the Hague Agreement, so the 1999 Geneva Act applies to any Korean designation.

2. Priority Claim

If priority based on the Paris Convention is claimed, priority documents must be submitted to the Korean Intellectual Property Office ("KIPO"), within three months from the publication of the international registration on the WIPO website, or else the priority claim will be nullified.

3. Designated Products

Korea has generally adopted the Locarno classification system, but not all of the specific products in the Locarno classification system are recognized in Korea. For instance, symbols, logos, and interior designs are not eligible for design protection in Korea. Because KIPO is generally very strict when reviewing designated products, these should be carefully reviewed on any application with a Korean designation.

4. Drawings/Photographs

There are no specific regulations in Korea as to how drawings must be prepared or how many drawings must be submitted. However, KIPO generally requires that the submitted drawings clearly depict the claimed design, and is often quite picky about the quality of the drawings, with examiners in many cases requesting additional drawings during examination. As a result, it is usually advisable to submit drawings containing at least one perspective view and at least six directional views (i.e., top, bottom, left, right, front, and rear views) to ensure that the drawings are approved. Further, under Korean design practice, any shading lines should be deleted, as the examiner may confuse such lines with those representing the shape of the design article.

5. Filing Requirements

Beyond the standard international application, Korea requires that certain additional information be submitted when filing. For example, an application designating Korea must indicate the identity of the creator of the industrial design. Further, a brief description of the characteristic features of the industrial design must be included in the application.

6. Deferment of Publication

For international applications, it is possible to request that publication be deferred until 30 months from the date of the international registration. However, for local (non-international) applications, it is possible to request that the design be kept confidential for up to three years from the registration date of the design, so a local application may be preferable if long-term confidentiality is desired.

7. Office Actions

Korea has two types of examination systems (substantive or non-substantive), depending on the products involved. Products that fall within classes 2, 5, and 19 are subject to non-substantive examination, in which case an office action may be issued within 6 months from the publication date of the international registration. For other products, which are subject to substantive examination, an office action may issue within 12 months.

8. Licenses

License recordation is possible only through KIPO. In Korea, an exclusive license becomes effective/enforceable only after it is registered with KIPO.

FIRM NEWS

AWARDS & RANKINGS

Recognized as one of the world's top 150 law firms - Who's Who Legal 100 (2014)

Kim & Chang has been recognized as one of the world's top 150 law firms in the Who's Who Legal 100 (2014 edition, 3rd edition), published by Who's Who Legal that is an international publication affiliated with London-based publishing group, Law Business Research. Kim & Chang has been the only law firm in Korea to be included in the list for three consecutive years.

The Who's Who Legal 100 is based on 18 years of independent research, including interviews with leading lawyers and key clients over 140 jurisdictions.

Kim & Chang professionals recognized by Who's Who Legal

Who's Who Legal has recognized 43 Kim & Chang professionals in their respective practice areas. In the Intellectual Property practice area, **Duck-Soon Chang, Kenneth K. Cho, Man-Gi Paik,** and **Jay (Young-June) Yang** have been recognized in Who's Who Legal: Patents 2014, and **Alex Hyon Cho, Gene Kim, and Jay (Young-June) Yang** in Who's Who Legal: Trademarks 2014.

Who's Who Legal is published by Law Business Research Limited, an independent London-based publishing group providing research, analysis, and reports on the international legal services marketplace. Since 1996, Who's Who Legal has identified the foremost legal practitioners in multiple areas of business law.

Kim & Chang ranked Tier 1 across all areas in ALB 2014 IP rankings

Kim & Chang has been recognized as a Tier 1 firm in Korea in the patents and trademarks/copyright categories in Asian Legal Business (ALB)'s 2014 IP Rankings.

ALB is a legal publication owned by Thomson Reuters, the world's leading source of intelligent information for businesses and professionals. The rankings are based on research and interviews with a wide variety of lawyers and clients in Asia.

Kim & Chang named in IAM Patent 1000: The World's Leading Patent Practitioners

Kim & Chang has been ranked in the Gold (highest) band for litigation and transactions in Korea and recognized as a highly recommended firm for prosecution in Korea in the third edition of the Intellectual Asset Management (IAM) Patent 1000: The World's Leading Patent Practitioners.

In addition, 5 Kim & Chang professionals - **Duck-Soon Chang, Kenneth K. Cho, Jay J. Kim, Chun Y. Yang, and Jay (Young-June) Yang** - have been identified as recommended individuals for litigation in Korea.

The IAM Patent 1000 is a guide to top patent practitioners in key jurisdictions around the globe. Their listings are based on in-depth research and interviews with numerous attorneys at law, patent attorneys and in-house counsel.

Kim & Chang professionals named to Euromoney's 2014 Expert Guides

5 Kim & Chang professionals - **Alex Hyon Cho, Sang-Wook**

Han, Gene Kim, Ann Nam-Yeon Kwon, and **Jay (Young-June) Yang** - have been recognized as among Korea's leading trademark practitioners in the latest edition of the Guide to the World's Leading Trademark Law Practitioners.

In addition, **Ann Nam-Yeon Kwon** has also been recognized as a leading trademark practitioner in Korea in the 4th edition of the Guide to the World's Leading Women in Business Law.

Expert Guides series, published by Euromoney Institutional Investor PLC, is designed primarily for individuals who need access to the world's leading business lawyers in specific areas of law.

Kim & Chang professionals named "IP Stars" by Managing Intellectual Property

13 Kim & Chang professionals - **Casey Kook-Chan An, Duck-Soon Chang, Alex Hyon Cho, Kenneth K. Cho, Sang-Wook Han, Jay J. Kim, John J. Kim, Young Kim, Ann Nam-Yeon Kwon, Peter K. Paik, Mee-Sung Shim, Chun Y. Yang,** and **Jay (Young-June) Yang** - have been recognized as "IP Stars" by Managing Intellectual Property (MIP), far exceeding the number of attorneys named at any other firm in Korea. This inaugural edition of "IP Stars" is based on extensive research and in-depth interviews with IP practitioners and clients worldwide

MIP, part of the Euromoney Legal Media Group, is one of the leading sources of news and analysis on all IP developments worldwide.

EVENTS

ASPI Conference in Paris, May 21, 2014

Christian Kyung-Seok Chun and **Joo-Young Moon** from our IP Group spoke at the ASPI Conference in Paris on May 21, 2014. Dr. Chun and Ms. Moon presented on recent IP developments and trends in Korea, outlining the latest law amendments to Korean intellectual property law as well as legal issues relating to licensing, trade secrets, and R&D activities.

ASPI (Association Française des Spécialistes en Propriété Industrielle de l'Industrie) is a legal organization established in 1970 to bring together industry experts in the field of industrial property. ASPI, with one of its goals to study and address various IP-related challenges and issues, organizes conferences at the national, European and international level.

International Legal Alliance Summit & Awards in New York City, June 19, 2014

The International Legal Alliance Summit & Awards (ILASA) were held in New York City on June 19, 2014. At the awards presentation, Kim & Chang was honored as a co-winner of the Best Asian Law Firm for 2014, and **Kenneth K. Cho**, a senior US attorney in the firm's IP Group, accepted the award on behalf of the firm. Mr. Cho also participated as a speaker on a panel presentation focusing on "IP Wars in Asia."

Organized by Leaders League, a leading media group based in Paris, the one-day program consisted of a series of informative and engaging activities including a seminar with presentations, one-to-one meetings, and awards ceremonies. More than 400 leading partners, general counsels and IP directors from over 40 countries attended the event.

AIPPI Trilateral Meeting in Seoul, June 13-15, 2014

Monica Hyon-Kyong Leeu, a senior patent attorney in the firm's IP Group, participated as a speaker at the 2014 AIPPI Trilateral Meeting, which took place in Seoul from June 13 to 15, 2014. During the "Second medical use or indication claims" session, Ms. Leeu presented on the topic of "Second medical use inventions in Korea," outlining an overview of current laws and practices in Korea in relation to patent protection of therapeutic uses of known chemical compounds.

The annual AIPPI trilateral meeting, hosted alternately by the national groups of China, Japan and Korea of AIPPI (International Association for the Protection of Intellectual Property), provides IP practitioners from these three neighboring countries with a unique platform for mutual understanding and cooperation.

The 3rd Sweden Korea Business Forum in Seoul, June 26, 2014

The 3rd Sweden Korea Business Forum was held in Seoul on June 26, 2014. The event was co-hosted by the Swedish Chamber of Commerce and Business Sweden in Korea. Kim & Chang was the special sponsor for the forum.

John J. Kim and **Nayoung Kim** from the firm's IP Group presented on the "Importance of IP Rights and Current Issues."

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