Patent Litigation in Korea

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Abstract

For the past thirty years, the substantive laws of Korea in the field of patent protection have developed very fast so that their statutory provisions are almost the same as those of advanced countries like the U.S.A. However, the reality of patent protection in Korea is somewhat different from the statutory provisions themselves. While the reality of patent protection depends upon the practice of patent litigation, the practice in Korea illustrates several problems and faces a few challenges.

10 years ago, the Patent Court was established in Korea. Although the Patent Court has been doing its job very well in general, the relevant industry is not satisfied with its non-obviousness test. Since the concept and criteria of non-obviousness is the most important in patent litigation, the Patent Court of Korea must try and provide a more clear and certain test to the industry so that the industry or potential inventors understand what level of inventiveness is required for patent protection. Given the fact that invalidity of a patent is raised often as a defense in patent litigation, a more clear and certain non-obviousness test is essential to lower patent disputes in the future.

Japan and Korea is still based on the two-tier litigation system: Although damages and injunctions against patent infringement is litigated in judicial courts, invalidity of patents should first be filed with the Intellectual Property Tribunal. The Patent Court may only take invalidity cases as a second trial court after the Tribunal. While ordinary judicial courts are not allowed to deal with the invalidity issues, the Patent Court are not allowed to deal with remedies such as damages or injunctions. Consequently, the patent right owners and alleged infringers will all have to go through two tier procedures for a long time with a lot of costs. The paper suggests that the two-tier system should now change.

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I. Introduction

Once a patent is issued, a patentee may bring a lawsuit against someone accused of patent infringement. Two procedures are available as legal relief: one, requesting injunctive remedy through a preliminary injunction action, and the other, claiming damages or seeking permanent injunction from the patent infringement. Unlike US patent law, patent infringement under Korea’s patent law is a criminal offence subject to criminal procedures. More specifically, if the patentee brings forth an accusation to the public prosecutor’s office, the prosecutor’s office will file a criminal suit against the patent infringer, and when proven guilty, a person who infringes a patent right or exclusive license is liable to imprisonment not exceeding seven years or to a fine not exceeding 100 million Korean won.1)

In many cases, there are two defenses to such a suit: one, the accused infringer may argue that the patentee’s patent is invalid (“invalidity defense”) and two, the accused infringer may argue that even if the patent is valid, the accused products do not infringe upon the patent (“non-coverage defense”). In relation to the invalidity defense, the Patent Act states that an invalidation trial must convene to invalidate a patent.2) Even if the elements of novelty and inventive step are missing, a registered patent is considered valid and therefore, before the invalidation trial decision is finalized, even the courts cannot find a patent invalid in separate infringement proceedings. In this way, Korea’s Patent Act is very different from that of the US, where the invalidity defense is allowed in an infringement suit. In relation to the non-coverage defense, alongside arguing that the defendant’s product or service differs from the patented invention of the plaintiff, the Patent Act allows the defendant to opt for a “Trial to confirm the scope of a patent right” procedure to verify that their product/service is outside the scope of an existing patent right. In the following sections, substantive and procedural issues relating to patent dispute trials will be discussed.

II. Dispute Resolution through a Trial

1. The Significance of the Trial

Appealing a general administrative disposition usually requires only bringing a cancellation trial to the court, whereas appealing the decision of the Korean Intellectual Property Office (“KIPO”) requires the appellant to request a trial at the Intellectual Property Tribunal (“IPT”) before initiating a cancellation trial at the courts. This is due to the “administrative trial prerequisite principle”, which respects the decision of the KIPO and its examiners as their expert decision. Among these trials, however, it is doubtful that forcing the invalidation trial and the trial to confirm the scope of a patent right in a separate procedure from a court litigation procedure relating to patent infringement is really beneficial to the patentee and the interested party because these two trials are in essence in the form of an adversarial trial. Although in the past, the trials were allowed in the Supreme Court only after a decision by the Board of Appeals, a constitutional review request was made by the Supreme Court to challenge this procedure on the grounds that it violated the citizen’s right to trial according to law in presence of judges. While the Constitutional Court was reviewing the case, the Patent Act was amended to create the Patent Court of Korea as of March 1, 1998 and the Patent Court has got an exclusive jurisdiction over all appeals from the decisions of the IPT.

2. Invalidation Trial

An invalidation trial is a process to retroactively invalidate a patent right if a patent right violates certain invalidation circumstances set forth in each law upon the request of an interested party or examiner. The Patent Act, unlike that of Anglo-American law, requires all patent invalidation claims to occur in an invalidation trial. When the validity of a patent is in question as part of an infringement trial, the courts may suspend the proceedings of such trial until an invalidation trial is concluded.\(^3\)

Participation in a patent invalidation trial is limited to interested parties or the examiner. The scope of interested parties often becomes a main issue. In many cases,

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\(^3\) Article 164 of the Patent Act.
the assignee of the patent right and the licensee of the patent are both considered interested persons as assigning and licensing a patent usually involves compensation.4) Although the courts have sometimes ruled in the opposite that the licensee of the patent does not constitute an interested party, this excessively limits the scope of the interested party in a way that leaves an invalid patent right to be left unchallenged. There have also been precedents when an interested party loses its status during the trial, the parties (the interested party and the registered patentee) agreed to discontinue the proceedings or assign the rights to the patent.5) This interpretation, however, also excessively limits the scope of the interested party by preventing possible invalidation of so-called weak patents, and as a result only discourages technical innovation.

The patentee may request a correction of the patent during the invalidation trial proceedings.6) The IPT may conduct an *ex officio* trial examination without the request of the parties and also take the necessary evidence without request.7) Grounds that have not been pleaded by a party or intervener in a trial may be examined; however, in such cases, the parties and interveners must be given an opportunity within a designated period to state their opinions regarding the grounds. The rationale behind allowing a statement is to prevent both unforeseen harm to the parties and also preserve an appropriate and fair trial.8) In this view, the invalidation trial in essence is not a judicial proceeding — where the rights and obligations of the parties are adjudged strictly based on law — because it allows the patentee to correct their patent and the IPT to conduct *ex officio* trial examinations; it is rather a quasi-judicial proceeding where an efficient dispute resolution is provided through similar means.

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4) Supreme Court Decision 82Hu30 delivered on 1984. 5. 29; For more information regarding design invalidation, see Supreme Court Decision 79Hu78 delivered on 1980. 3. 25.

5) Supreme Court Decision 89Hu2151 delivered on 1990. 10. 23; Supreme Court Decision 91Hu240 delivered on 1991. 11. 26.


8) Supreme Court Decision 2003Hu1994 delivered on 2006. 2. 9.
3. Trial to Confirm the Scope of a Patent Right

A “trial to confirm the scope of a patent right” is a quasi-judicial trial where the IPT determines whether the allegedly infringing product falls under the scope of a patent right in a patent right dispute. The Patent Act states that a patentee or an interested party may request a trial to confirm the scope of a patent right.9) The trial to confirm the scope of a patent right, similar to any other confirmation trial (Feststellungsklage), has both an active confirmation trial and a passive confirmation trial; the former is where the patentee actively sets the scope of their patent right and the later is where the opposing interested party requests a confirmation on their working method’s non-infringement. The Patent Act also allows for multiple confirmation trials as the trials are instituted on a patent claim basis.

There are two difficult problems in relation to the trial to confirm the scope of a patent right: one, whether it is appropriate under this trial process to differentiate the scopes of two separately registered patent rights and two, how to determine the scope of a patent right in relation to an invalidation trial where all or part of a registered patent is publicly known or worked. On the first issue, it is questionable whether both an active trial to confirm the scope of a patent right (where the earlier registrant argues that the later registered patent infringes upon its patent) and a passive trial (where the later registrant argues that their patent does not infringe upon the earlier registered patent) are accepted. It has been held by courts that the later (passive trial) falls under the procedural purpose of the trial to confirm the scope of a patent right,10) whereas the former (active trial) does not because the same argument is dealt through the invalidation trial.11)

The second issue is whether it is legal to invalidate the scope of a patent right not through an invalidation trial, but via a trial to confirm the scope of a patent right, when all or an integral part of an invention is publicly known or worked. The Supreme Court affirms that the scope of a patent right cannot be accepted12) with regard to patent claims which are publicly known or worked at the time of filing the

10) Supreme Court Decision 91Hu1748 delivered on 1992. 4. 28; Supreme Court Decision 84Hu19 delivered on 1985. 4. 23; Supreme Court Decision 96Hu375 delivered on 1996. 7. 30.
12) Supreme Court Full Bench Decision 81Hu56 delivered on 1983. 7. 26.
patent application. Although some inconsistent cases exist, the Supreme Court generally denies the scope of a patent right not only when an invention is exactly identical to a “publicly known or worked invention” (thus lacks novelty), but also when an invention was easily created by a person with ordinary skill in the art on the basis of a “publicly known or worked invention” (thus lacks inventive step). An interesting point is that the court denies that the defendant’s invention lies within the scope of the plaintiff’s patent right not because it is identical or easily created from a publicly known or worked invention or in itself invalid, but upon the argument that the defendant’s invention merely utilizes a publicly known or worked invention. In other words, although you cannot invalidate an invention lacking inventive step in a trial to confirm the scope of a patent right (unlike an invalidation trial), you can confirm that a patent claim that is easily created from a publicly known or worked invention, does not lie within the scope of a right in question. The important question is whether this “publicly known or worked invention” defense can also be used in civil or criminal suits as is in the trial to confirm the scope of a patent right.

4. Appealing a Decision

Appealing the IPT’s invalidation decision or trial to confirm the scope of a patent right is through the Patent Court of Korea. Although the Patent Court is similar in many ways to the United States Court of Appeals for the Federal Circuit (“CAFC”), they differ immensely in that the Patent Court does not have jurisdiction in regular civil cases such as claims for damages in patent infringement, whereas the CAFC even acts as the appellant court in such cases. Before the Patent Act was amended on January 5, 1995, decisions by the KIPO Board of Appeals were to be appealed in the Supreme Court. The Supreme Court, determining that the Board of Appeals system is unconstitutional, requested a constitutional review on August 25, 1993. The Board of Appeals system was argued to be unconstitutional in that 1) a non-judicial “board”

13) Supreme Court Decision 91Ma540 delivered on 1992. 6. 2.
14) Supreme Court Full Bench Decision 81Hu56 delivered on 1983. 7. 26.
15) Supreme Court Decision 2002Hu2037 delivered on 2004. 4. 27; Supreme Court Decision 99Hu710 delivered on 2001. 10. 30.
16) Supreme Court Decision 2002Hu2037 delivered on 2004. 4. 27.
acts as the final court that deals with questions of fact, violating Article 27 Section 1 of the Constitution of Korea (“All citizens shall have the right to be tried in conformity with the law by judges qualified under the Constitution and the law”), 2) finalizing the facts of a patent trial occur at the board of appeals rather than the judicial branch, violating the Separation of Powers doctrine and 3) administrative trials are allowed in the High Court where as patent trials are denied High Court hearings, violating the right to equality.

The Constitutional Court made an “unconformable to constitution” decision, in that although the Board of Appeals system violates the constitutional right to trial, the right to equality and the provisions relating to the Separation of Powers doctrine, the system is deemed “unconformable to constitution,” so as to limit the repercussions and confusion of rendering the half century old Board of Appeals system unconstitutional and also because the July 27, 1994 amendment to the Court Organization Act and the January 5, 1995 amendment to the Patent Act will allow for the Patent Court to replace the Board of Appeals system on March 1, 1998 henceforth.

The July 27, 1994 amendment to the Court Organization Act stipulates that a special High Court level Patent Court shall be established on March 1, 1998. The KIPO, on a different end, integrated the existing examination board and Board of Appeals into a new IPT and the appeals to this tribunal shall be lodged to the Patent Court. In this context, the Patent Court replaces the Board of Appeals as the judicial body that determines questions of fact in order to protect the right to trial. In determining question of facts in patent trials that require highly technical and professional knowledge, the Patent Court, however, is to have a Technical Examiner participate in the trial and state opinions during the judging process (Court Organization Act Article 54bis). The Technical Examiner system is similar to the Technical Judge system of Germany’s Federal Patent Court in that a technical professional participates in trial, but differs in that the former can only submit an advisory opinion and cannot render a final decision. This is more or less similar to Japan’s Appeal Examiner system and in this sense the Technical Examiner system is a creative hybrid of Germany’s Technical Judge and Japan’s Appeal Examiner

system.

III. Requirements of Patent Registration and the Scope of Protection

1. Standard to Determine “Inventive Step”

If a claimed invention or filed invention falls exactly upon a single prior art, the invention is construed as lacking novelty, whereas if the constituent elements of the invention derive from two or more prior art materials, the novelty of the invention is affirmed. In such case, the inventive step element may be denied if a person with ordinary skill in the art to which the invention pertains could easily have made the invention.

On determining inventive step, the courts have generally placed a person with ordinary skill in the art to which the invention pertains as the standard and the time of the filing as the controlling date. When comparing a filed invention to a prior art, if the former has difficulty in its element, remarkability in its effect and uniqueness in its purpose, the inventive step element is confirmed. Specifically speaking, the standard of “difficulty in its element, remarkability in its effect and uniqueness in its purpose” should be whether or not a person of ordinary skill in the art to which the invention pertains can easily predict the invention, but in actual practice, if the “difficulty in its element, remarkability in its effect and uniqueness in its purpose” of the filed invention can be found when comparing the filed invention with the prior art material, the invention is considered to have the element of inventive step. There are, however, some differences to consider in each field. For example in the fields of machinery, car manufacturing, electricity, electronics and communications, the difficulty in its element is important, whereas in medicine, chemistry and biotechnology, remarkability in its effect is relatively more significant.

20) Supreme Court Decision 2000Hu3234 delivered on 2002. 8. 23; Supreme Court Decision 97Hu2156 delivered on 1999. 3. 12; Supreme Court Decision 96Hu2364 delivered on 1998. 4. 24; Supreme Court Decision 2000Hu99 delivered on 2002. 8. 23; Supreme Court Decision 2001Hu2658 delivered on 2002. 6. 28; Supreme Court Decision 2000Hu3234 delivered on 2002. 8. 23.

21) Dongsoo Han, Non-obviousness Test for Inventions [Patent Court Decision 2006Heo6099 delivered on
In the event where a one single prior art exists, determining inventive step through directly comparing the elements, effect and purpose of the two would yield the same results as determining whether a person with ordinary skill in the art to which the invention pertains could easily have made the invention because only the one prior art is compared to the filed invention. When, however, two or more prior arts exist and the filed invention is derived from combined elements from multiple prior arts, it is questionable to state that determining “a person with ordinary skill in the art to which the invention pertains could easily have made the invention” can be achieved through determining the “difficulty in its element, remarkability in its effect and uniqueness in its purpose.” This is because if you directly compare a prior art and a filed invention on a one-to-one basis when several prior arts exist, inventive step may be denied when “a person with ordinary skill in the art to which the invention pertains” can make and easily could have made the invention, even if “difficulty in its element, remarkability in its effect and uniqueness in its purpose” are established. Also, if a patent examiner or the courts comprehensively compares the filed invention with prior art in light of the differences in element, effect and purpose, this may result in the court’s failure or neglect to adjudge whether a professional in the technical field can easily combine or utilize two or more prior arts in the invention. Especially regarding software inventions, because software methods involve not only software technology, but also business methods or other non-software technologies, comparisons occur among more than two prior arts and in doing so, comparing only the differences in element, effect and purpose falls short in determining inventive step.

2. A Prior Art’s Teaching, Suggestion and Motivation

As stated above, when two or more prior arts exist, it is not easy to compare the differences in element, effect and purpose. Even if the differences are found, it is even a more difficult and subjective decision when determining inventive step. Thus, practice of the patent office and court decisions to determine whether a person with ordinary skill in the art to which the invention pertains can make and easily could
have made the invention often rely on examining any teaching, suggestion and motivation of combining prior arts. An interesting point is that many Patent Court decisions affirm inventive step by finding no teaching, motivation and suggestion from prior art would allow for a person with ordinary skill in the art to which the invention pertains to easily create an invention, despite a possible lack in inventive step when only looking at element, effect and purpose.22) Examining whether teaching, motivation and suggestions from prior art allowed a person with ordinary skill in the art to which the invention pertains to easily create an invention seems valid and appropriate because the lawmaker’s intent of the Patent Act regarding inventive step is to issue patent rights as an incentive for inventions that contribute to technological advancement. It is inconvenient, however, that a specific criterion does not exist to determine how specific the teaching, suggestions and motivations need to be in order to decide if it is easier to combine the elements of prior arts. In other words, a more specific analysis and criterion must be provided to negate inventive step; whether teaching, motivation or suggestion that require combining the elements of prior arts needs to be specifically expressed in the prior art or, even if the teaching, motivation or suggestion is not specifically expressed in the prior art, a person with ordinary skill in the art to which the invention pertains can easily create an invention through the teaching, motivation or suggestion.

In the US, where much discussion and court decisions exist, the US Federal Court has adopted the TSM test (teaching, suggestion, or motivation test) in order to prevent the dangers of hindsight; an invention that was difficult for a person with ordinary skill in the art to which the invention pertains to create during the patent registration, in hindsight could be deemed easy to create during the trial or examination stage, thus negating inventive step. For the past decade, however, the CAFC has tightened the standards of the TSM test. The court, for example, has ruled that although suggestion from a prior art is found, if the suggestion still requires extensive and excessive experiments to create the invention, inventive step cannot be denied.23) The courts have also stated the Patent & Trademark Office has the burden


23) *In re* Bell, 991 F.2d 781 (Fed. Cir. 1993); *In re* Deuel, 51 F.3d 1552, 1559 (Fed. Cir. 1995).
to prove that it placed the rationale behind denying non-obviousness on record, and thus cannot simply rely on the examiner’s conclusion to reject non-obviousness because of a “prior art’s hint or suggestion.”

The CAFC is criticized for tightening the standards of the TSM test, thus loosening the boundaries of inventive step, which resulted in the excessive issue of patents. Amidst the criticism, the Supreme Court made some adjustments to the TSM test. In KSR International Co. v. Teleflex Inc. the Supreme Court held that the CAFC’s application of the TSM test was too stringent and that the test must be applied more flexibly to uphold the fundamental principle of determining obviousness. The Supreme Court’s decision was that it is more reflective of the basic notion of inventive step to deny an invention of non-obviousness when the an invention used in a certain industry can easily be modified due to demand in design or other market demands, by a person having ordinary skill in the art to which said subject matter pertains. In other words, even though prior art documents do not explicitly show the teaching or motivation to combine two prior art references, if a person having ordinary skill in the art to which said subject matter pertains can easily combine the prior art references considering market demand, the invention can be rejected on grounds of obviousness. The Supreme Court’s adjustment to the TSM test has led to an increased rejection on behalf of the CAFC on grounds of obviousness.

3. Patent Invalidation and Abuse of Rights

Although the Patent Act, in essence, only negates the effects of a patent right through a patent invalidation trial, the courts have allowed the “publicly known or worked invention” defense — where the defendant argues that the allegedly infringing product derives from a publicly known or worked invention — to prove that their invention does not fall under the scope of the plaintiff’s patent right. A question arises whether this defense can also be used in civil or criminal proceedings,

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24) In re Sang-Su Lee, 277 F.3d 1338, at 1343-1346 (Fed. Cir. 2002).
27) Supreme Court Decision 2002Hu2037 delivered on 2004. 4. 27; Supreme Court Decision 99Hu710 delivered on 2001. 10. 30.
where infringement of rights is argued.

There are two types of proceedings in infringement litigations: preliminary injunction proceedings, where a temporary injunction against the infringement is sought, and main proceedings, where a permanent injunction action against the infringement or a claim for damages is sought. The Supreme Court has ruled in favor of the original decision to dismiss a temporary injunction motion because the need to enjoin an invention does not exist when an invention that includes a “publicly know and worked” technology perceivably cannot win in the main proceedings.  

Although precedent that grants a temporary injunction against the infringement of rights exists, where the invention in question has novelty but is perceived to possibly lack inventive step, it is interpreted that the Supreme Court can deny the motion because the patent right may be invalidated through the lack in inventive step.  

During the main proceedings on patent infringement, the Supreme Court has ruled that “even before the patent invalidity trial is finalized, the court may determine whether a negating factor exists, and filing a motion seeking an injunction or damages when a patent right is clearly invalid is construed as an abuse of rights.”  

In the same theoretical background in the recent case relating to a printer’s photosensitive drum, the Seoul High Court has dismissed the claim of injunction and damages in that when the patent/invention in question is clearly invalid due to lack of inventive step, claiming such injunction and damages is an abuse of rights.  

Comparing with the above Supreme Court decisions on the trial to confirm the scope of a patent right and the preliminary injunction case, it is valid to strike down motions for injunction and damages when a patent right lacks inventive step even in the main proceedings on infringement of rights cases. This is because there is no reason for the Patent Act to allow incentives to inventions lacking in inventive step, and allowing for injunctions and damages based on a patent right lacking in inventive step prevents the public and competitors from using publicly know and worked

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28) Supreme Court Decision 92Da40563 delivered on 1993. 2. 12; Supreme Court Order 93Ma2022 delivered on 1994. 11. 10.
29) Supreme Court Order 91Ma540 delivered on 1992. 6. 2.
30) Supreme Court Decision 92Da40563 delivered on 1993. 2. 12.
31) Supreme Court Decision 2000Da69194 delivered on 2004. 10. 28.
inventions. Leaving an invalid patent right that lacks inventive step to be exercised goes against the Patent Act’s purpose and harms free competition, thus constitutes an abuse of rights, and therefore its exercise must be denied. Because software patents have the highest registration rate and thousands of patent/inventions are involved in one single IT product, especially for software patents that lack novelty or inventive step, must the motion for temporary injunction be denied and the injunction and damages be dismissed on grounds of abuse of rights.

In the same light, can the “publicly known or worked” defense also be invoked in criminal trials? If an invalidation decision is finalized, thus retroactively invalidating the patent right, an infringement suit can no longer exist. The Supreme Court as an interpretation of law has decided even before the invalidation decision that publicly know and worked inventions cannot fall under the scope of a patent right. This interpretation is also applied in criminal cases, and thus if all or part of a patent’s scope is publicly known, the patent infringement suit is denied.

4. The Patent Right’s Scope of Protection

In essence, the protected scope of a patent right is fixed on what is written in the patent claim(s) section, and in the patent claim(s) “the matter for which protection is sought in one or more claims”, or “claim(s),” must be concisely and clearly stated. Therefore, the “all elements rule” — the elements of the patent claim(s) must all be present in the allegedly infringing product, or manufacturing process thereof, to constitute an infringement — governs patent right infringement as the basic standard. However, if the all elements rule is applied too strictly, a slight modification or improvement can lead to circumventing infringement, and ultimately the patent right

34) For additional information, find Supreme Court Decision 92Do3354 delivered on 1993. 11. 12 in relation to denial of design infringement.
35) Article 420(6) of Criminal Procedure Act, for additional information, see Supreme Court Decision 93Do839 delivered on 1996. 5. 16 in relation to denial of trademark infringement. Supreme Court Decision 90Do2636 delivered on 1991. 1. 29 has been vacated.
36) Supreme Court Decision 82Do2834 delivered on 1984. 5. 29; Supreme Court Decision 86Do1147 delivered on 1986. 12. 9; Supreme Court Decision 2005Do4341 delivered on 2006. 5. 25.
cannot be protected. To prevent this result, the doctrine of equivalents, an Anglo-American interpretation of law, was introduced and used by the Supreme Court.\textsuperscript{38)}

The doctrine of equivalents states that even though the allegedly infringing product is not completely identical to the literal elements of the patent claims, if the allegedly infringing product \((1)\) has a substantially identical process, \((2)\) acts through a substantially identical function and \((3)\) yields substantially identical results, the patent infringement is affirmed. In determining equivalence by comparing difference in elements of the infringing device and the claimed invention, the standard is whether a person with ordinary skill in the art to which the invention pertains could have easily substituted the claimed invention with an equivalent device. Although the concept of easiness in substitution is not the same as inventive step, determining easiness ultimately derives from the degree of inventive step. Inventions that have strong inventive step — basic inventions or pioneer inventions — in a broad sense are accepted as substantially identical or equivalent devices, whereas improvements are only accepted in a narrow scope. Therefore, the doctrine of equivalents must discreetly and selectively be applied to devices pertaining to industries, such as the software industry, where inventions are usually created by modifying existing devices. The courts seem to concur with this necessity.

In a case where an injunction applicant owns the patent right to “the method of providing game service via telecommunications devices,” the applicant argued that the respondents SK Telecom and LG Telecom have infringed its patent right by providing game services using the Wireless Application Protocol (WAP) method. The Seoul District Court dismissed the temporary injunction motion citing that despite the applicant’s ownership of a valid non-obvious patent/invention, \((1)\) the game service provided by the respondents via LAN cannot be seen as an equivalent substitute to the applicant patent/invention’s notion of the internet, \((2)\) the respondent’s WAP server is not an equivalent means to the applicant’s server, and \((3)\) the applicant’s patent/invention and the respondent’s game service differ in its elements.\textsuperscript{39)}

Also, when the patent applicant or patentee intentionally reduces the scope of

\textsuperscript{38)} See Supreme Court Decision 97Hu2200 delivered on 2000. 7. 28; Decision 98Hu522 delivered on 2001. 8. 21.

\textsuperscript{39)} Seoul District Court Order 2001KaHap3105 delivered on 2002. 3. 21.
IV. Remedies in Patent Infringement

1. Reevaluating the Injunction System

We have already discussed how the “publicly known or worked invention” defense and the “lack of inventive step” defense are effective defenses in temporary injunction trials and permanent injunction motions during a patent infringement litigation. If a patent/invention lacks inventive step, the patent infringement does not exist and is thus theoretically valid and realistically sound in dismissing a temporary injunction or permanent injunction motion. However, it is a difficult problem under the current law to dismiss an injunction motion when a patent has inventive step, thus valid, and infringed.

Injunctions are means of remedy in protecting exclusive rights such as real rights. Although rights to remove interference and rights to prohibit infringements are not granted in the Civil Act or the Copyright Act, the courts have consistently granted satisfactory remedy for infringement on personal rights.\textsuperscript{41} Unless infringement on property rights or personal rights is clear, the courts have denied injunctions against business disruptions\textsuperscript{42} and environment pollution.\textsuperscript{43} Even in reviewing domestic theories on injunction claims, it is the majorities’ opinion that although a legislative action may exist for allowing injunctions in relation to the Monopoly Regulation and Fair Trade Act, there is no need to allow for injunction as general remedy to all

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\textsuperscript{40} Patent Court Decision 2001Heo5992 delivered on 2002. 8. 30; Supreme Court decision 2003Da1564 delivered on 2004. 11. 26.

\textsuperscript{41} Supreme Court Decision 93Da40614,40621 delivered on 1996. 4. 12.

\textsuperscript{42} Seoul District Court Order 2002KaHap2377 delivered on 2002. 10. 15; Seoul District Court Order 2002KaHap1031 delivered on 2002. 10. 24.

\textsuperscript{43} Supreme Court Order 94Ma2218 delivered on 1995. 5. 23. However, the lower courts of Japan, who share a similar legal system, have allowed for injunction on grounds of pollution(Osaka High Court Decision delivered on 1975. 11. 27.): redirected from Jinsoo Yoon, \textit{Allowing injunctions for infringement on environmental right, in 23 COMMENTARY ON SUPREME COURT DECISIONS, at 9 (1995).}
illegal acts by interpretation of law because the Civil Act allows for the right to remove interference, and ample precedent from judgments on personal rights and exists.\textsuperscript{44)}

In the case of infringement on personal rights, the Supreme Court allows the right to injunction because personal rights in its essence cannot be protected only with awarding monetary damages and a reputation restoration disposition.\textsuperscript{45)} Also, because infringement on personal rights tends to be continuous and recurring, unlike onetime illegal acts such as car accidents, only through preemptive injunctions can the benefit and protection of law be possible. Thus, the primary reason behind allowing injunctions for infringement of personal rights is not because personal rights have the characteristics of an absolute right, but because it is the most efficient and satisfactory remedy due to the characteristics of personal interest. This can be evidenced in the reading of statutes.\textsuperscript{46)} Therefore, although the Civil Act is silent on allowing injunctions against illegal acts, the courts should allow injunction motions if an illegal act is recurrent and monetary compensation is not enough to protect the necessary interests governed by law.

In the same sense, despite that a statute provides for an injunction, the court must be able to deny the motion when protecting the interest of a patent is not desirable due to the purpose of the law or the public’s interest. Looking closely at the Civil Act’s provisions on property, the owner’s right to property, though exclusive in nature, does not automatically grant the right to remove interference. In cases regarding legal superficies, the owner of the land cannot exercise the right to remove interference against the owner or occupant of the building (removal of building), and can only claim rent.\textsuperscript{47)} The Supreme Court, stretching this notion even further, stated that although legal elements of legal superficies are not met, the owner of the land

\textsuperscript{44)} For more discussion, find Jaehyung Kim, \textit{Property Right and Environmental Protection: Focusing on the meanings and functions of Civil Act article 217, 276 PERSONAL RIGHTS AND JUSTICE}, at 22-43 (1999).

\textsuperscript{45)} Supreme Court Decision 93Da40614,40621 delivered on 1996. 4. 12.

\textsuperscript{46)} Constitutional Court Order 99HunBa77 delivered on 2001. 9. 27. describes the Unfair Competition Prevention and Trade Secret Protection Act as a restrictive legislation rather than an empowering legislation, supporting this interpretation of law that the injunction clause of the Unfair Competition Prevention and Trade Secret Protection Act is not due to an absolute right but for protective reasons.

\textsuperscript{47)} Articles 305 and 366 of Civil Act, Articles 10 and 12 of Provisional Registration Security Act, Articles 3 and 6 of Act on Stumpage for a similar reason also limit the land owner’s right to dispose of stumpage.
cannot exercise their right to remove interference under the notion of “customary legal superficies.”48) The reasoning behind the Civil Act and Supreme Court decision to deprive the owner of the right to remove interference and injunction under legal superficies is not only because of inferring implied consent but also because it is not in the interest of the litigants and the public to do so and more reasonable to allow only for claiming damages through rent.

Although the Patent Act also limits patent rights in a similar way as legal superficies,49) it is difficult to state that it is possible to deny an injunction when the requirements for injunction are met. Some state that injunctions must always be granted because compared to property right, a patent right is socially beneficial in that it promotes inventions.50) It is undeniable that the Patent Act limits the court’s powers in judging the legality of an injunction motion. Although the concept of injunction has sprouted from the law of equity and thus in essence should, at least in the US, be subject to flexibility in judgment, most CAFC decisions that confirm the existence of infringement have automatically led to granting injunctions.51) However, in response to the inherent dangers of abuse of software patents, the Supreme Court has re-established the principle that the effects on the litigants as well as to the public good must all be considered as a whole when ordering an injunction.52)

2. Injunction Motions by Patent Trolls

Although eBay v. MercExchange53) is significant in that the US Supreme Court reaffirmed the four elements of an injunction, it is unclear whether all injunction requests by a patent troll are to be denied or what type of software patent abuse should be regulated. In other words, there is a need to define a standard that

48) Supreme Court Decision 94Da61731 delivered on 1995.4.28; Supreme Court Decision 91Da21701 delivered on 1991.9.24.
51) eBay, Inc. v. MercExchange, LLC, 401 F.3d 1323 (Fed. Cir.).
52) eBay, Inc. v. MercExchange, LLC, 126 S.Ct. 1837, 164 L.Ed.2d 641 (Sup. Ct., 2006).
53) LLC, 126 S.Ct. 1837, 164 L.Ed.2d 641 (Sup. Ct., 2006).
specifically denotes when an injunction is dismissed even if a patent infringement exists as universities or private inventors that do not exploit their patent/invention to run a business are in certain situations allowed injunctions. Moreover, given the fact that the requirements for injunctions under the US and Korean laws are different from each other, the US Supreme Court’s decisions do not directly help interpret our Patent Act. For Korea’s Patent Act which empowers the patentee the right to injunction upon an infringement, the courts can dismiss an injunction only in cases of patent right abuse even when the patentee proves an infringement of patent right. However, the US Supreme Court’s decision is honorable in that it does not automatically allow an injunction order without reviewing the effects to not only the concerned parties, but also the public. Following this interpretation is of great value to Korea’s Patent Act. In other words, if the Patent Act allows for an abuse of patent rights defense in patent infringement cases, the theoretical support would be the consideration of effects on the competitors including the litigants, on social interest and purpose of the Patent Act as a whole. Mentioned above is an example of dismissing an injunction motion on grounds of patent right abuse of an obvious patent.54 It is a difficult question to determine whether an abuse of patent right is allowed besides a patent that lacks inventive step.

When an abuse of patent violates the Monopoly Regulation and Fair Trade Act, it is subject to a notification by the Fair Trade Commission and is liable for damages. It may also be subject to Adjudication for the Grant of a Nonexclusive License or Trial for Granting a Nonexclusive License under the Patent Act. In all other abuse of patent cases, the injunction must be dismissed. In the past, the Patent Act once deemed a faulty patent as an abuse of patent right and ordered compulsory licensing or cancellation of the patent right.55 For an unknown reason, the 1973 Patent Act’s abuse of patent right provision has been deleted, but the 1973 provision is evidence of the existence of the abuse of patent doctrine, and can be interpreted as applying also to today’s Patent Act.

An abuse of patent right can exist not only in the passive exercise of a patent right but also in an active exercise. An active abuse of patent right is when one agrees to a patent licensing agreement with a third party and disrupts the production and

54) Seoul High Court Decision 2003Na8802 delivered on 2005. 1. 25.
business by arguing an illegal extension of the patent right. An important question is what the elements are to constitute an abuse of patent right. Because there are no court findings on this matter, the Fair Trade Commission’s “Guidelines of reviewing undue exercise of intellectual property rights” to the Monopoly Regulation and Fair Trade Act is a potential standard. Of course, the abuse of patent rights are not limited to the examples set out in the Fair Trade Commission’s Guideline, so there are additional specific cases where the abuse of patent right is determined.

Patent trolls exercising patent rights that lack inventive step in order to stop others from producing goods are considered an abuse of rights as they are exercising a right that does not fall under their scope of protection in order to hinder others from production and business. However, considering that it is realistically difficult to clearly define the notion of a patent troll, it cannot be presumed an abuse of rights when a patent troll exercises a valid patent right. Therefore, even if a patentee does not engage in direct business activity, but receives license fee from a third party, they cannot automatically be pinned as a patent troll, and their claim to damages and injunctions cannot be seen as an abuse of rights. However, if a patent right is acquired without the purpose of providing commercial services, manufacturing products, or research and development, but for the sole purpose of receiving excessive license fees and damages using the injunction as a threat, abuse of rights may be allowed. However, although using an injunction to hinder one’s production and business constitutes an abuse of patent right, it is not always an abuse of patent right to claim damages. Therefore, both damages and injunction claims must be dismissed for patent rights that lack inventive step, but damage claims for infringement of a valid patent should be accepted.

KEY WORDS: patent, invalidity, patent court, non-obviousness, infringement

57) Seoul High Court Decision 2003Na8802 delivered on 2005. 1. 25. stated that it is an abuse of patent right to lodge a claim for damages or injunction based on an obvious invention, although the patentee cannot be deemed a patent troll.