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RECENT PATENT ACT REVISION TO ENLARGE PATENTABLE PLANT INVENTIONS

Article 31¹ of the previous Korean Patent Act limits the scope of the patentable subject matter of a plant invention by stipulating the requirement of "asexual reproduction." According to the above provision, a plant which sexually reproduces has been regarded as non-patentable subject matter. The recently revised Patent Act abolishes Article 31, and thus, the scope of the patentable subject matter has been enlarged to include all novel plants regardless of whether a plant is sexually reproduced or asexually reproduced. The revised Patent Act became effective on October 1, 2006.

Further, the Korean Intellectual Property Office (KIPO) has introduced a plant and seed deposit system so that a plant invention can easily meet the description requirements of reproducibility of a plant invention by depositing a plant or seed to an authorized depository.

Along with the revision of the Patent Act and introduction of a new deposit system, the Examination Guidelines of KIPO have also been revised. The gist of the revision is as follows: (i) incorporation of a clear definition on an enlarged scope of patentable plant inventions; (ii) deletion of some description requirements of plant inventions; (iii) stipulation of the requirements of a plant and seed deposit; and (iv) inclusion of precedents related to determining the completion, novelty and inventiveness of a plant invention.

The revised Examination Guidelines more clearly define the subject matter of a plant invention by stating that "the guidelines apply to a novel plant *per se* (a plant having one or more genetically expressed characteristics that differ from those of

other plants), a part of a novel plant (e.g., seed, fruit, or pollen), and a breeding method or reproduction method of a novel plant."

Before the abolishment of Article 31 of the Patent Act, an asexual reproduction method was an indispensable element of the constitution of all plant variety inventions and it should be described in the claim. The revised Examination Guidelines delete the prescription of requiring the description of an asexual reproduction method, and require such a description only when necessary (in case of a plant invention related to an asexual reproduction method).

In accordance with the introduction of a plant and seed deposit system, when a written description is insufficient so that a person skilled in the art is unable to easily produce a final plant, an applicant can support the reproducibility of a plant invention by (i) depositing parent plants, seeds, or cells of a subject plant before the filing date of the application with an authorized depository; (ii) including the name of the depository, the deposit number, and deposit date in the originally filed specification; and (iii) submitting a copy of the official receipt issued by the depository.

The revised Examination Guidelines stipulate in detail the standards of determining the completion, novelty and inventiveness of a plant invention by including the precedents related to the plant inventions so that the consistency and objectiveness of examinations can be ensured.

The deletion of Article 31 of the Patent Act and revision of the Examination Guidelines reflecting such a revision in the Patent Act is significant because it enlarges the scope of the patentable plant inventions to sexually reproducing plants, which were not protected by the Patent Act thus far.

¹ Article 31 of the Korean Patent Act stipulates that "any person who invents a new plant variety that reproduces itself asexually may obtain a plant patent therefor."

DETERMINING INVENTIVENESS OF A PRODUCT-BY-PROCESS CLAIM

The Korean Supreme Court recently held that the inventiveness of a product-by-process claim should be determined based on only the structural features of said claim without considering its process features, unless the claimed product can be defined by the latter only (see Supreme Court Decision No. 2004Hu3416 rendered on June 29, 2006).

Specifically, Claim 4 of the patent disputed in the above Supreme Court case included the process feature "by bending a portion of the substrate from one side of the substrate to the other side of the substrate," whereas Claim 6 of said patent included the process feature "by bending a portion of the substrate from one side of the substrate to the other side of the substrate and simultaneously pushing the bended portion back to the one side." Further, Claim 12 of the above patent included the process features "by boring process" and "by die machining," while Claim 13 of the same included the process feature "by stamping process."

The Supreme Court found that the product recited in Claims 4, 6, 12 and 13 (i.e., a belt fitting for a seat belt device) can be structurally defined. As such, the Supreme Court held that only the structural features recited in Claims 4, 6,

12 and 13 should be compared against the prior art without considering any of the process features.

Prior to the above Supreme Court decision, the Examination Guidelines of the Korean Intellectual Property Office required the novelty and inventiveness of a product-by-process claim to be determined based on only the claimed product without considering its process features. By its latest decision, the Supreme Court has now effectively affirmed the above Examination Guidelines.

CHANGES TO THE KOREAN PATENT ACT

The Korean Patent Act was revised on December 8, 2006 to take effect as of July 1, 2007. The main features of the revised Act are as follows:

1. Grace Period for Filing Patent Claims with the Korean Intellectual Property Office (KIPO)

Currently, a patent application must comprise a specification, drawing(s) and claim(s) when filed with KIPO. However, effective July 1, 2007, patent claims may be filed separately after the initial patent filing.

Specifically, KIPO is to provide a grace period for the separate filing of patent claims. Under the revised Patent Act, the applicant may submit patent claims until the application becomes laid-open (18 months from the effective filing date). If the claims are not submitted by such time, then the application is deemed to be withdrawn.

The above timeline may be shortened when a

request for examination is made because the applicant must submit the claims simultaneously with the request (but before the application is laid-open). Otherwise, the request for examination will not be accepted. When a third party requests an application to be examined without any claims, KIPO will request the applicant to submit patent claims within a designated time of three months. If the applicant does not comply with such a request, then the application is deemed to be withdrawn.

2. Opportunity for Requesting Patent Correction during the Invalidation Proceeding

The current Patent Act permits a patentee to request a patent correction during an invalidation proceeding when submitting its first response brief. Under the revised Patent Act, a patentee may also request a patent correction when it becomes necessary to respond to the petitioner's new evidence. When the patent correction is newly requested, the previous request for patent correction is deemed to be withdrawn.

3. Easing the Specification Description Requirement

According to the current Patent Act, the specification must describe the object, constitution and effect of an invention such that those skilled in the art can easily practice the said invention. However, this requirement will be changed in the revised version of the Patent Act. That is, under the revised Patent Act, the specification merely has to be described in a clear and detailed manner such that those skilled in the art can easily practice the invention.

4. Easing the Claims Description Requirement

According to the current Patent Act, claims must recite only the elements indispensable for

the constitution of the invention. Failure to comply with such a requirement may lead to a rejection or invalidation. Under the revised Patent Act, the claims must recite all the elements necessary for defining an invention such that the scope is clear. Thus, the above requirement is excluded as a possible rejection or invalidation ground.

5. Issuance of Notice of Rejection

Under the current Patent Act, the Examiners are allowed to issue a Notice of Rejection for only some of the claims subject to rejection. However, under the revised Patent Act, the Examiners must issue a Notice of Rejection for all the claims subject to rejection.

6. Amendment of Invention during Scope Confirmation Proceeding

Under the revised Patent Act, an amendment of the product or process that is being confirmed can be included in the patent scope and is deemed not to change the purpose of the scope confirmation action. Thus, it is possible to amend the description of the product or process that is being confirmed in a scope confirmation action.

7. Refund of Official Fees upon Request

Under the current Patent Act, previously paid official fees are not refunded even after the withdrawal or abandonment of a patent application and request for examination. However, the revised Patent Act allows a refund of official fees incurred in filing the application and request for examination, provided that the application is withdrawn or abandoned within one month of the filing date.

8. Others

Currently, the Examiner may extend the time period for an applicant to respond to a

prosecution matter upon a request or *ex officio*. Under the revised Patent Act, the Examiner may not only extend that time, but also shorten it upon a request.

CHANGES TO THE KOREAN TRADEMARK LAW

The Regulations of the Trademark Act has been recently amended and will go into effect on January 1, 2007. The main points pertaining to the changes can be outlined as follows.

1. Specification of Products and Services

Although the Korean Intellectual Property Office(KIPO) has adopted the International Classification of Goods and Services, it still maintains its strict particular goods/services specification requirements, according to which broad or vague descriptions (e.g., class/subclass headings) are not accepted. For instance, products described as "rinse" or "sun screen," are examples of wording that is obviously not acceptable to KIPO, since the wording is considered to be too broadly described by KIPO. In order to avoid the likelihood of receiving such rejections systematically, the goods/services covered by a trademark application must be specifically listed on a detailed item-by-item basis, which requires the applicant to have a solid knowledge of KIPO's internal examination guidelines and practice.

However, KIPO has stated that it will start accepting broad descriptions in the following manner and timeline.

1st Step: As of January 1, 2007, KIPO is planning to accept broad descriptions

designating similar goods/services in the same class. For instance, subclass headings such as "dyestuffs" in Class 2, "cosmetics" in Class 3, "stationery" in Class 16 will be accepted beginning this period of time.

2nd Step: After September 2008, KIPO plans to accept broad descriptions designating goods/services in the same class, even if the broad descriptions may cover goods/services which are not regarded as being similar under KIPO's current practice. Under this new scheme, for instance, "clothing" can cover "sports clothing" as well as "suits and coats" or "sweaters, dress shirts," although "sports clothing" is not regarded as being similar to general clothing items.

3rd Step: This step represents KIPO's long term plan, which has not yet been finalized. However, under the proposed plan, beginning with this time period, even broad descriptions covering dissimilar goods/services in several classes will be accepted. For instance, "chemical preparations" will be allowed as a description covering chemical preparations for industrial purposes and/or for photographic purposes in Class 1 and chemical preparations for medical purposes in Class 5.

2. Retail Services or Wholesale Services

KIPO has advised that "retail or wholesale services" *per se* cannot be claimed as a service under the current Korean trademark practice. The current position of KIPO has been that "retail services" are generally considered to fall under the sales of goods, and thus, if an applicant wishes to obtain a registration claiming retail services, the applicant must file a trademark designating goods of which the applicant wants to sell, instead of filing a service mark. Due to this restriction, an applicant whose line of business is retail or wholesale in nature was generally advised by KIPO to file a service mark claiming "retail agency services" or "retail mediating

services" instead of "retail services." However, such a method of proceeding did not totally resolve the problem, since there exists some major practical differences among "retail services," "retail mediation services" and "retail agency services," including the fact that "retail mediation services" and "retail agency services" do not necessarily cover "retail services."

However, KIPO is planning to adopt such description from January 1, 2007 according to the 9th edition of Nice Classification. The 9th edition of Nice Classification, which will be effective as of January 1, 2007, added retail and wholesale services to its services in Class 35.

In this regard, services relating to sales still must be specified with the particular type of goods involved. Thus, although "retail services" would not be acceptable, "retail services for jewelry" would be acceptable by KIPO.

COMMENCEMENT OF SERVICES FOR THE 2ND-LEVEL <KR> DOMAIN NAMES IN ENGLISH CHARACTERS IN LATE SEPTEMBER 2006

The National Internet Development Agency of Korea (NIDA; www.nida.or.kr) has announced they will provide the registration service for two-level <kr> domain names in English characters (hereinafter, "two-level <kr> domain names") from September 18, 2006. Under this newly-announced system, the <kr> domain names will consist of only two levels: the country code top level domain, <kr>, and the 2nd level domain, English characters, to be determined by the registrant, in contrast with the existing system of

the three-level <kr> level domain names; but they are subject to the same arrangement as the existing three-level <kr> domain names.

NIDA has also announced the order of priority with respect to the filing of the applications for two-level <kr> domain names and registering the same by classifying the potential applicants into the following categories:

Phase I (September 18 - November 20, 2006), for which the administrative and constitutional authorities, that own the registered three-level <kr> domain names (i.e., <go.kr> domain names) registered prior to March 13, 2006, may file applications for and register the same;

Phase II (November 21, 2006 - March 27, 2007), for which the registrants of the remaining three-level <kr> domain names (e.g., <co.kr>, <pe.kr>, <ne.kr>, <or.kr>, etc.) registered prior to March 13, 2006 may file applications and register the same. In a case where more than one application for the same domain name is filed, the priority of registration will be given to the applicant (i.e., the trademark holder) who owns the three-level <kr> domain name incorporating its registered trademark. In a case where the trademark holder has not yet applied for the registration, the priority will be given to the applicant who owns the three-level <kr> domain name for which the registration date is earlier.

Phase III (March 28 - April 18, 2007), for which anyone who wishes to register a two-level <kr> domain name may file an application for registration of the domain name. In the case that more than one application for the same domain name is filed for the registration during this period, the domain registrant will be decided via lottery.

Beginning April 19, 2007, two-level <kr> domain names will be registered on a "first-come, first-served" basis for all other domain

names except those falling within the above specified categories, as done under the current system of the three-level <kr> domain names.

THE REGISTRATION OF AN IMITATION MARK, WHICH IS THE KOREAN AND ENGLISH TRANSLITERATION OF THE JAPANESE MARK "ひよ子", SHOULD BE INVALIDATED

Gist: The mark, which is generally pronounced by foreign consumers as the Korean or English transliteration of a mark well-known overseas, constitutes as being a mark falling under Article 7 (1) (xii) of the Trademark Act¹.

Facts: Hiyoko, Co., Ltd. (the "Plaintiff"), a Japanese confectionery company, has sold *Manju* (traditional Japanese confectionery) bearing the Japanese word, "ひよ子" which means a chicken (the "Cited Mark"), for dozens of years. Thus, it is accepted that the Cited Mark is well known in Japan among the Japanese consumers. Cheongwoo Confectionery Co., Ltd. (the "Defendant"), a Korean confectionery company,

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applied for the mark "HIYOKO" (the "Subject Mark"), which is the Korean and English transliteration of the Cited Mark for confectionery in Korea and registered as the same. The Defendant has manufactured *Manju*, which is similar in terms of shape and material to *Manju* which is manufactured and sold by the Plaintiff under the Cited Mark. The Defendant has also sold the same by using the packing material similar to the packing material used by the Plaintiff. In addition, the Defendant has advertised on its homepage as if it cooperates

technically with the Plaintiff, even though it has no business relationship with the Plaintiff.

Judgment: The Subject Mark is the combination of the exact Korean and English transliteration of the Cited Mark, and is an imitation mark motivated by the Cited Mark. The designated goods of the two marks are similar to each other even in terms of shape, material and packaging. The main targeted group of consumers of the designated goods of the two marks also overlaps with each other. Furthermore, the Defendant has falsely advertised its relationship with the Plaintiff. In light of the above, it can be said that the Defendant uses the Subject Mark for the purpose of obtaining unjust profits upon taking advantage of Plaintiff's good quality image and the power to attract consumers associated with the Cited Mark by imitating the Cited Mark, or inflicting harm on the Plaintiff by diluting the value of the Cited Mark. Accordingly, as the Subject Mark is a mark under Article 7 (1) (xii) of the Trademark Act, the registration should be invalidated.

Significance: In judging the similarity between a mark and a foreign language mark, the general practice was if the general consumers are not able to perceive the meaning or pronunciation of a foreign language intuitively, then the factors relating to the original pronunciation or concept of such foreign language were not seriously considered in deciding the similarity between a mark and a foreign language mark. Thus, it is noted that the present decision is different from the above-mentioned general practice.

In particular, with respect to the Defendant's argument above, the court stated upon overall consideration of the following that the Subject Mark, which consists of the Korean and English transliteration of the Cited Mark, as pronounced by general consumers of Japan, is identical to the Cited Mark in terms of pronunciation. The court further stated that:

"Under Article 7(1) (xii) of the Trademark Act, the well-known status of a cited mark should be judged based upon its well-known status among foreign consumers, and the misunderstanding and/or confusion of a source identifier is not an obvious requirement. The purpose behind the legislation of Article 7(1) (xii) of the Trademark Act is to protect the well-known overseas mark by excluding the registration of a mark likely to be used for an unjust purpose. Therefore, a person holding the right to a mark, which is not well-known in Korea but well-known in foreign countries, may use the mark as a source identifier also in Korea. Further, leaving the judgment of whether a mark is identical or similar to the Korean general consumers could result in discriminating a word mark described in alphabets and a word mark described in letters other than alphabets without reasonable grounds. Thus, the two compared marks are similar to each other in its entirety."

¹ Article 7 (1) (xii) of the TMA; Trademarks that are identical or similar to a trademark easily recognized in Korea or outside of Korea as a source identifier of another person, and which are used to obtain unjust profits or to inflict harm on the person shall not be registered.
