The Legal 500
Country Comparative Guides

South Korea
PATENT LITIGATION

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This country-specific Q&A provides an overview of patent litigation laws and regulations applicable in South Korea.
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1. What is the forum for the conduct of patent litigation?

Korea has a bifurcated system for handling patent disputes. Patent infringement actions for damages and/or permanent injunctions are handled at first instance by the district courts, while patent invalidation proceedings are handled exclusively by the Intellectual Property Trial and Appeal Board (“IPTAB”) within the Korean Intellectual Property Office (“KIPO”). The first instance civil trial of a patent infringement action is heard by one of the following district courts, depending on the location of the defendant: Seoul Central, Daegu, Suwon, Busan, Daejeon, and Gwangju District Courts. Notwithstanding the foregoing, a plaintiff in any patent infringement case may file an action before the Seoul Central District Court at its discretion. In practice, most patent infringement actions are filed in Seoul Central, which has several panels of judges that are assigned IP matters. Patent infringement actions are reviewed by a panel of three judges, often times assisted by technical advisors (most often provided by the court but sometimes dispatched from the KIPO or IPTAB). Patent invalidation actions are tried exclusively before the IPTAB. The IPTAB is an administrative tribunal under the auspices of KIPO and manages administrative actions relating to intellectual property rights. In general, first-instance invalidation actions are reviewed by a panel of three trial examiners, but by a panel of five for certain actions deemed to have significant implications.

2. What is the typical timeline and form of first instance patent litigation proceedings?

Under the bifurcated system, where patent infringement actions are reviewed by the district courts, and patent invalidation cases are reviewed by the IPTAB, although the district courts have authority to review both infringement and invalidity issues, it generally give deference to the IPTAB on invalidity issues when an invalidation action is pending before the IPTAB. In reviewing infringement and invalidity issues, the district court considers the claim construction issue, but there is no separate procedure for claim construction under the Korean practice. Damages and liability issues are also reviewed by the district courts, which are addressed in the final decision of the district courts together with the invalidity, infringement and claim construction issues. Generally speaking, first-instance proceedings take between 10 and 18 months, but may stretch up to two years or longer in exceptional cases. Meanwhile, the court acts as a factfinder, and there is no jury trial and no rigid pre-trial/trial dividing line. Hearings are held approximately every four to five weeks where evidence and briefs are submitted, and fact and/or expert witness examinations can take place, along with at least one technical presentation hearing. Patent invalidation actions before the IPTAB normally take about 9 to 14 months, but can be placed on an expedited track under certain circumstances, for example, when an infringement action is concurrently pending in a district court. Expedited proceedings normally take between six to ten months.

3. Can interim and final decisions in patent cases be appealed?

Generally, interim decisions are not rendered in patent litigations in Korea. Final decisions from first-instance main actions for patent infringement can be appealed to the Patent Court. Appeals can be filed as of right, and no permission is required. The appeal is reviewed by a panel of three judges, assisted by technical advisors. The Patent Court’s review is conducted de novo and not restricted in its scope to issues of law; factual issues can be contested and re-adjudicated at the Patent Court. Typically, one or two oral hearings will take place, at least one of which will be a technical presentation hearing. The Patent Court’s appellate proceedings generally take between 6 and 12 months. In addition, a party may, as a right, appeal an adverse Patent Court decision to the Supreme Court, the court of last resort. The appeal is reviewed by a judicial panel of four justices, with assistance from research judges and technical advisors. The proceedings at the Supreme Court
Court are generally documentary proceedings, with oral hearings being a rare occurrence. The Supreme Court dismisses the majority of appeals within about four months after its receipt of the case records, on the ground that the appeal lacks sufficient legal basis for a full review. If the Supreme Court does decide to conduct full review, final decision generally takes about two years. In patent invalidation actions, the losing party may appeal the IPTAB's judgment to the Patent Court. The decision by the Patent Court then may be appealed to the Supreme Court. The same comments above regarding the timeline for the Supreme Court appeal apply here.

4. Which acts constitute direct patent infringement?

Under the Korean patent law, the act of direct patent infringement includes: (i) in case of a device/product patent claim, manufacture, use, sale, lease, import, and offer (including exhibits) for sale or lease of the patented invention; or (ii) in case of a process patent claim, the use and offer for use of the patented process and use, sale, lease, import and offer (including exhibits) for sale or lease of a product made by the patented process.

5. Do the concepts of indirect patent infringement or contributory infringement exist? If so, what are the elements of such forms of infringement?

Liability for indirect infringement arises when a person makes, sells, leases, imports, offers (including exhibits) for sale or leases an article that is used solely for making a patented device/product or for practicing a patented process. The Korean Patent Act (“KPA”) does not provide for a cause of action based on induced infringement. Rather, inducement may be interpreted under a tort-based theory in civil laws.

6. How is the scope of protection of patent claims construed?

It is a central principle that the scope of a patent right is determined by the limitations recited in each patent claim. However, the Korean Supreme Court has held that the claim language should be interpreted in an objective and reasonable manner based on its common meaning. It has also held that in a case where the technical meaning of the patented invention cannot be specifically understood from the languages of the claims alone, the detailed description of the invention and drawings shall be taken into consideration. The Korean Supreme Court also adopts the doctrine of equivalents. The Korean courts would find a product infringes under the doctrine of equivalents (DOE) if: (1) The technical idea or principle to solve a problem is identical between the patented invention and the accused product; (2) The accused product with the modified element accomplishes substantially the same function and exhibits substantially the same effect; and (3) The modification of an element in the patented invention to the corresponding element in the accused product is obvious to a person skilled in the art. Equivalents cannot be found if (a) the accused product was already known or could have been easily conceived from the prior art; or (b) the prosecution history of the patented invention indicates that the accused product was deliberately excluded from the claims of the patented invention.

7. What are the key defences to patent infringement?

Key defences to patent infringement include: (1) invalidity; and (2) non-infringement. Defense by claiming licenses either by law or contract is treated as non-infringement defence. Defence based on inequitable conduct is not available in Korea.

8. What are the key grounds of patent invalidity?

The grounds of patent invalidity are provided by Article 133(1) of the KPA. Key grounds include the following: non-eligibility; lack of novelty; lack of inventiveness; violation of description requirement of claims or specification; and non-assignment of right from the inventor. The invalidation grounds based on non-assignment of right from inventor can only be raised by the inventor or its lawful assignee. Meanwhile, the grounds discussed above are not precluded for the reason that a patent is validly granted.

9. How is prior art considered in the context of an invalidity action?

The following constitutes prior art under the Korean patent law: (1) an invention publicly known or practiced in Korea or in a foreign country prior to the filing of the patent application at issue; (2) an invention published in a publication distributed in Korea or in a foreign country or an invention disclosed to the public via Internet prior to the filing of the patent application at issue; and (3) an invention described in the specification of a patent application filed prior to and published after the filing of the patent application at issue. Prior art under (1) and
11. Is some form of patent term extension allowed in the amended form.

Yes. If permission or registration is required under the laws to practice a patented invention and it takes a long time to undergo necessary tests for validity, safety, etc., for obtaining such permission or registration, the term of the patent may be extended only once for an additional period of up to five years to compensate for the period during which the invention cannot be practiced, unless the delay is attributable to the patentee. See KPA at Article 89(1). This rule applies to inventions for pharmaceutical products or finished or raw agrochemical products.

12. How are technical matters considered in patent litigation proceedings?

Technical issues are considered in a similar manner with other factual issues in patent litigation. Thus, the parties bear the burden to procure and submit evidence to support its position in technical issues, and a written opinion or testimony of an expert retained by either party can be submitted as evidence. In addition, parties may request inspection by a court-appointed expert, and if the request is granted, the court appoints a third-party expert (individual or institution), and the expert analyzes technical issues and submit his or her opinion. For a thorough and effective review of technical issues, some courts including Seoul Central District Court and the Patent Court involve technical advisors (mostly provided by the court and sometimes dispatched from the KIPO or IPTAB) in patent litigations to assist the judge panel.

13. Is some form of discovery/disclosure and/or court-mandated evidence seizure/protection (e.g. saisie-contrefaçon) available, either before the commencement of or during patent litigation proceedings?

While Korea does not adopt extensive discovery processes, certain types of limited court-supervised discovery are available during patent litigation proceedings. The KPA allows the court to order, upon one party’s request, the other party (usually, the alleged infringer) to submit evidentiary materials necessary to prove patent infringement or damages. Where the accused infringer cites a justifiable excuse (e.g., trade secret), the court may conduct in camera inspection to assess the accused infringer’s proffered excuse. However, if the material is deemed absolutely necessary for proving infringement or damages, the accused infringer may not refuse to submit the material for the reason that it constitutes a trade secret. In addition, the parties may procure evidence via requests for inquiry to third parties (e.g., customs, tax offices, customer
companies). Before commencement of litigation proceedings, parties may file a petition for preservation of evidence to the court. This petition may be reviewed ex parte and granted if there is an urgent need for preservation (high probability of modification or spoliation) and high probability of infringement is recognized. If such a request is granted, the court in charge of granting the preservation order will investigate the evidence even prior to the commencement of an infringement action. Further, there is an on-going discussion as to introduction of additional instrument for discovery in view of broader discovery process adopted in other countries. The details of the new instrument is still under discussion.

14. Are there procedures available which would assist a patentee to determine infringement of a process patent?

Yes, if a patented invention is a process for manufacturing a certain product, any product identical to that certain product is deemed to be manufactured by the patented process. See KPA at Article 129. Thus, if a patentee proves infringement on the grounds that product manufactured by the alleged infringer is identical to that manufactured by the patented process, the alleged infringer is presumed to have practiced the patented process. This presumption does not apply if the alleged infringer can prove that the product was publicly known or practiced in Korea prior to the filing date of the patented process, or was described in a publication published in Korea or other countries prior to the filing date of the patented process (the alleged infringer could also simply prove that the product was not manufactured using the patented process).

15. Are there established mechanisms to protect confidential information required to be disclosed/exchanged in the course of patent litigation (e.g. confidentiality clubs)?

When a party is requested to submit evidence by the opposing party but the requested party has justification to refuse the request and the information to support such justification is confidential, the court will review the information without disclosing it to the requesting party to determine whether or not the submission of such information should be ordered. Further, if the evidence submitted (voluntarily or upon the court’s order) is confidential, the court may, upon the disclosing party’s request, designate the scope of disclosure and/or individuals allowed to access such evidence.

16. Is there a system of post-grant opposition proceedings? If so, how does this system interact with the patent litigation system?

As a post-grant opposition procedure, the KPA provides patent cancellation procedure. The patent cancellation procedure is ex parte (no involvement by petitioner after filing a petition) and must be filed within 6 months from patent publication. The cancellation claim must be based on: (i) lack of novelty and/or inventive step based on at least one prior art publication(s) not cited by the KIPO examiner; (ii) lack of industrial utility; or (iii) violation of the first-to-file rule. Cancellation proceedings, given their general timeline, do not proceed in parallel with infringement actions covering the same patents. Courts generally exercise their discretion to wait for the decision in the cancellation proceeding.

17. To what extent are decisions from other fora/jurisdictions relevant or influential, and if so, are there any particularly influential fora/jurisdictions?

Decisions from other fora/jurisdiction will be taken into account on a case-by-case basis and whether they will be taken into account is solely at the court’s discretion. There are no particularly influential fora/jurisdictions.

18. How does a court determine whether it has jurisdiction to hear a patent action?

The standard of determining jurisdiction is whether or not a party or a case in dispute is "substantially related" to Korea (see the Act on Private International Law at Article 2 of). With regard to a patent matter, the Korean Supreme Court has held that, invalidation or revocation of a patent, which has to be registered to be effective in the relevant country, should be deemed to fall within the exclusive jurisdiction of the country where the patent is registered, and cannot be tried at the Korean courts. However, there is no established rule on whether the Korean court can review a case involving infringement or validity of a foreign patent. In view of the Supreme Court’s decision above, we believe that the Korean court would not likely review a case involving infringement or validity of a foreign patent.

19. What are the options for alternative dispute resolution (ADR) in patent cases? Are they commonly used? Are there any
mandatory ADR provisions in patent cases?

The common forms of alternative dispute resolution for resolving patent disputes in Korea are mediation and arbitration (in Korea, however, they are not utilized often). The KIPO has established and operates the Industrial Property Dispute Mediation Committee for disputes regarding patent, trademark and design rights. Mandatory requirement for commencing arbitration under the Korean law is a written agreement between the parties.

20. What are the key procedural steps that must be satisfied before a patent action can be commenced? Are there any limitation periods for commencing an action?

The Korean patent law does not establish procedural requirements to be met before filing a patent infringement action, and there is no statute of limitation for filing an injunction. Injunctions can be filed anytime if there is an ongoing or imminent infringement. A lawsuit seeking damages, however, must be filed within ten years from the date of the last infringing act and within three years from the date of patentee’s learning of the infringing act.

21. Which parties have standing to bring a patent infringement action? Under which circumstances will a patent licensee have standing to bring an action?

A patentee has standing to bring a patent infringement action. An exclusive licensee can also bring a patent infringement action independently from the patentee, provided that the exclusive license is registered with the KIPO.

22. Who has standing to bring an invalidity action against a patent? Is any particular connection to the patentee or patent required?

An interested party can initiate a patent invalidation action before the IPTAB. An interested party may be an alleged infringer, as well as an entity that is producing or will produce a product that has some relationship to the patent claims. Receipt of a warning letter or notice of patent is not necessary to have standing to bring an invalidation action.

23. Are interim injunctions available in patent litigation proceedings?

A preliminary injunction (“PI”) action is an instrument for obtaining an interim (preliminary) injunction. The requirements for a successful PI action are: (i) the right to claim injunction (current or imminent infringement of the patent); and (ii) need for preservation (irreparable harm to the patentee). The first instance-trial for a PI is heard by a district court. A preliminary injunction proceeding normally takes three to eight months, but may be delayed when an invalidation proceeding is co-pending at the IPTAB. A PI action proceeds separately from the main action and is reviewed by a separate department of a district court that focuses on PI actions. A plaintiff in a PI action must make a prima facie showing of patent infringement based on the proffered evidence. Generally, only documentary evidence is allowed, and no witness examinations or expert appraisals are conducted. PI actions based on patent infringement are reviewed inter parte, and in most cases, two to three hearings will be scheduled at two to three weeks intervals. If a PI order is issued, the plaintiff is required to post a bond in the amount determined by the court. In determining the bond amount, the courts consider several factors such as infringer’s revenues and profits. A PI order can be executed immediately upon posting of the required bond, even if the defendant files an appeal.

24. What final remedies, both monetary and non-monetary, are available for patent infringement? Of these, which are most commonly sought and which are typically ordered?

Monetary damages and permanent injunction are available under the Korean law for patent infringement. A patentee may also seek destruction of the infringing goods and half-finished goods or equipment for manufacturing infringing goods. Plaintiffs in patent infringement actions usually seek all of the three remedies since other factors such as balance of hardship and public interest are not considered.

25. On what basis are damages for patent infringement calculated? Is it possible to obtain additional or exemplary damages?

The KPA provides four different methods of determining monetary damages. The plaintiff can select the method for calculating the monetary damages and has the initial burden of proving the amount. Typically, the plaintiff
chooses to claim monetary damages based on its lost profits or infringer’s earned profits.

Lost profits: the patentee can claim lost profit based on the sales by the infringer. Under the revised Patent Act effective as of December 10, 2020, this can be claimed based on both lost sales and lost royalty. For lost sales, damages can be calculated by multiplying the numbers of sold infringing products by the patentee’s profit per unit. The lost sales cannot exceed the amount that the patentee could have manufactured and sold but for the infringement; for the sales exceeding the amount the patentee could have manufactured and sold, the patentee can claim reasonable royalty.

Infringer’s profits: profits derived by the infringer as a result of infringement.

Reasonable royalty: amount that a hypothetical licensee would have been willing to pay the patentee to license the patent at issue.

Judicial determination: there are cases where infringement is confirmed, but the amount of damage is hard to prove. In such cases, the damages amount may be determined by the court based on its examination of the circumstantial evidence and arguments from the parties.

As of July 9, 2019, enhanced damages are available for patent infringement. The court may award damages amounts up to three times the compensatory damages if an alleged infringer was found to willfully infringe the patentee’s patent. In assessing the amount of damages, the following factors may be taken into consideration, including but not limited to: infringer’s superior bargaining power; the intention or degree of awareness regarding risk of damage; the extent of damages from infringement; the economic gain achieved through infringement; the period over which the infringing act occurred, and frequency of the infringing act; any monetary penalty imposed in connection with infringement; the financial condition of the infringer; and infringer’s effort in remedying the patentee’s damages.

26. How readily are final injunctions granted in patent litigation proceedings?

Korean courts grant permanent injunctions if patent infringement is found and does not consider other factors such as balance of hardship or public interest.

27. Are there provisions for obtaining declaratory relief, and if so, what are the legal and procedural requirements for obtaining such relief?

There are two types of proceedings for obtaining a declaratory relief: one before the courts and the other before the IPTAB. Before the IPTAB, a patentee or alleged infringer may file a petition to seek a declaratory decision of infringement or non-infringement (i.e., scope confirmation trial). In this proceeding, literal infringement as well as infringement under the doctrine of equivalents is reviewed. However, a decision in the scope confirmation trial does not bind the court in an infringement action, and the court will make a decision based on the facts and evidence submitted by the parties in the specific infringement action. A patentee or alleged infringer may also bring a lawsuit to the same effect before the courts, rather than the IPTAB. Although this is legally possible, however, there have not been many cases, because issues reviewed in this type of lawsuit are not very different from those reviewed in a patent infringement action, and there is no substantial benefit in seeking this type of lawsuit.

28. What are the costs typically incurred by each party to patent litigation proceedings at first instance? What are the typical costs of an appeal at each appellate level?

The litigation cost in Korea depends highly on various factors that are unique to each legal proceeding, including but not limited to the complexity of the underlying case, the volume of records, the necessity of examination by a court-appointed expert, and the arguments that will be made, and the contentiousness of the opposing party. Thus, public statistics on the legal cost is not available. Based on our experiences, typical cost for the first instance patent infringement action can range from hundreds of thousand dollars to millions of dollars (for complex cases), while the cost in the second instance, where the case is reviewed de novo, can range from approximately one to two-thirds of the cost in the first instance. Supreme Court proceedings cost approximately half the cost in the second instance.

29. Can the successful party to a patent litigation action recover its costs?

In theory, the losing party bears the “cost of the lawsuit” (including attorney’s fees recognized by the law) and court fees. However, in practice, only a nominal amount of attorney’s fees are recognized and allowed as the “cost of the lawsuit” under the Supreme Court Regulations.
30. What are the biggest patent litigation growth areas in your jurisdiction in terms of industry sector?

With the highly developed semiconductor manufacturers headquartered in Korea, the semiconductor-related sector including the semiconductor equipment industry and related chemical industry has been the most contentious industry sector. Further, the pharmaceutical industry has seen a big increase in patent disputes, after Korea adopted the patent-approval linkage system in 2015. In addition, recently we have seen a notable increase in the bio-health sector.

31. What do you predict will be the most contentious patent litigation issues in your jurisdiction over the next twelve months?

As discussed in our response to Question 13 above, how the limited discovery available under the Korean law will be utilized by the courts in practice is not a well settled area of law in Korea. Further discussion follows below in our response to Question 32.

32. Which aspects of patent litigation, either substantive or procedural, are most in need of reform in your jurisdiction?

Although the court-supervised discovery is provided by the Korean patent law, this does not mean that plaintiff in a patent infringement action can readily procure evidence without limitation. There is still an ongoing discussion regarding (i) the degree of plaintiff’s initial burden of proof for a court to order a defendant to submit evidentiary materials, (ii) the scope of evidentiary materials the court can order to submit, and (ii) the sanction measures in case of non-compliance with the order while balancing the interests and burdens of the plaintiff and the defendant. Further, introduction of a new type of discovery process, e.g., investigation of evidence by court-appointed expert and exchange of list of documents between parties, is being discussed. Revision to the Patent Act is expected in later this year (2020) or early 2021.

33. What are the biggest challenges and opportunities confronting the international patent system?

Globalization of patent systems combined with evergrowing cross-border transactions among companies are leading to increase in multi-jurisdiction disputes. Companies have been building global patent portfolios with the benefit of the international patent system, and parallel patent infringement actions are filed in multiple jurisdictions by the companies to exploit the legal instruments of different countries. To manage this parallel, multi-jurisdiction dispute, legal counsels, whether in-house or outside, are required to understand the legal systems in various countries and communicate effectively with law firms in various jurisdictions. We expect that this trend will continue and provide new challenges and opportunities to lawyers across the borders.

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