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Amendment to South Korean Patent Law and Countermeasures Sought from Japanese Enterprises

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Following approval by the South Korean National Assembly, a bill to amend the South Korean Patent Law came into effect on February 9, 2006, and was formally announced on March 3, 2006. Excluding one part, the revised law has already been enforced since the day of the announcement.
Here is a summary of the contents of this amendment, with advice from the standpoint of an experienced attorney on points to remember when Japanese enterprises plan to acquire rights and exercise them in South Korea.

Abolishment of the Opposition System and Consolidation with the Invalidation Trial System (in force as from July 1, 2007)

In many cases, amendments to South Korean Patent Law refer to the contents of amendments to Japanese Patent Law and are put into effect several years after the amendments to Japanese Patent Law. On this occasion, the fact that the patent opposition system in South Korean Patent Law is going to be abolished and integrated with the invalidation trial system, once again suggests that the Japanese Patent Law amendment of 2003 has been used as a reference.

According to this latest amendment, anybody will be able to demand an invalidation trial within 3 months of the registered publication date (enforced as from October 1, 2006). On such an occasion, anybody can demand an invalidation trial for issues relating to the public good such as violation of novelty, violation of an inventive step and the like. Also, where the issue relates to a misappropriate application or violation of a joint application, only an

interested party can demand an invalidation trial. Of course, after 3 months has passed, the interested party who received a warning letter for infringement of a patent right can still demand an invalidation trial as before. Furthermore, it is expected that recognition of interests will be more relaxed than they have been up to now.

Provision of Information before Laying Open of Application (in force as from October 1, 2006)

According to the amended law, information can be provided at any time, even before laying open an application. It is planned to shorten the examination waiting period to 10 months at the end of 2006, and even when the period is shortened to 10 months, a third party is allowed to participate in an examination by providing information.

Introduction of Examination System into Utility Model (in force as from October 1, 2006)

On this occasion, a draft amendment to the South Korean Utility Model Law passed the National Assembly simultaneously with the amendment bill to the Patent Law. The contents of the draft are to restore the examination system to its original form, amending the current no-examination system which used the 1993 revision of the Japanese amendment as a reference.

In South Korea, a double application for patent and utility model was permitted up to now. So, it was possible to safeguard rights using utility model rights established without examination during the examination period of the patent application, and then after the patent right was established, use the patent rights for protection. As a result, the number of utility model applications did not decrease, and there were many requests for the introduction of a system similar to the original. Hereafter, the double application system will be abolished and in its place, a "change of application system" for allowing a change between patent and utility model applications will be introduced.

Extensions of Scope of Exceptions to Loss of Novelty of Invention (in force as from March 3, 2006)

Up to now, exceptions to loss of novelty were admitted only for cases which fell under any one of the following: "conduction of an experiment, presentation in a printed publication, presentation through electric communication lines determined by the president, and presentation as a written publication for an academic society designated by ministerial ordinance." After the amendment, the provision of exceptions to loss of novelty will be

applied to all voluntary acts performed before filing the patent application. However, an application should be filed with the South Korean Patent Office within 6 months from the date the invention became publicly known. Further, it should be noted that publication in an unexamined patent is not included in voluntary acts, so the novelty would be lost in such a case.

Introduction of Globalism in Relation to Public Knowledge/Public Use (in force as from October 1, 2006)

Up to now, "public knowledge/public use" has been a reason for loss of novelty only in South Korea. After the amendment, public knowledge/public use in foreign countries is also counted as a reason for loss of novelty, because limiting it only to South Korea would lead to unreasonable examination results due to popularization of the Internet.

Elimination of Status of Prior Application of Rejected or Abandoned Application (in force as from March 3, 2006)

After the amendment, an application finally decided to be rejected or abandoned is deemed not to have existed from the beginning, and the status of prior application is not recognized. This enables an examination to proceed smoothly even when the examination waiting period is shortened to 10 months.

One-Month Extension of the Term for Submitting Translation Document for PCT Application (in force as from March 3, 2006)

After the amendment, the time limit for submitting a translation document after entering the South Korean national phase has been extended to 31 months (30 months up to now) from the priority date. However, a South Korean National Document and a translation document should be submitted at the same time to the Korean Patent Office.

Points for Japanese Enterprises to Remember at the Time of Acquiring and Exercising Rights in South Korea

Approximately 40% of patent applications from foreign countries to the Korean Patent Office are filed by Japanese enterprises, ranking high in the total number of Korean applications. Japanese enterprises which have filed applications in South Korea should hurry

to consider the legal effect to be brought about by the present amendment.

The present amendment has expanded the scope of exception to loss of novelty, so that for example, even in the case of displaying at an exhibition or selling products, the novelty would not be lost if an application is filed with the South Korean Patent Office within 6 months from the day such conduct was made, which is advantageous to applicants. On the other hand however, it should be noted that, due to the introduction of globalism into public knowledge/public use, public knowledge/public use are not restricted only to South Korea and public knowledge/public use in Japan or the USA will now also become a reason for losing novelty.

Further, while there is an expectation of accelerated examination due to the plan to shorten the examination waiting period, we will no longer be able to expect an early stage granting of rights by utility model because of the abolition of the system of filing a dual application for patent and utility model. Therefore, it will become necessary to consider other measures for accelerated granting of rights.

After rights are granted, the number of demands for invalidation trials is anticipated to increase due to introduction of the new invalidation trial system. Since the recognition of interested parties qualified as demandants is expected to ease, it will become necessary, more than ever before, to consider preliminary countermeasures against invalidation trials. It should be particularly noted that, due to the introduction of globalism into public knowledge and public use, the possible sources of instability factors for rights have increased.