

Lee & Ko

IP PERSPECTIVE

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Lee & Ko is pleased to introduce IP Perspective, Lee & Ko IP Group's periodic report aimed at providing news and information about notable decisions, major trends and key developments in Korean IP legal landscape to the foreign readership. IP Perspective is designed not only to provide factual information, but also to accompany such facts with Lee & Ko's own in-depth analyses, opinions, and expert outlook on the issues covered in the report.

In this inaugural issue of Lee & Ko's IP Perspective, the following topics are discussed :

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Recent Supreme Court decision on inventiveness of crystalline form invention and related considerations and strategies

1. Introduction

In Korea, crystalline forms of a previously known compound are categorized as “crystalline form inventions” and have been treated differently from other chemical compound inventions. In particular, unlike new chemical compounds, for which inventiveness is recognized if there is “constitutional difficulty” in inventing the compound, the inventiveness of a crystalline form invention was recognized only when a “remarkable effect” was shown, based on the reasoning that there was no “constitutional difficulty” in deriving a new crystalline form of a known compound. In 2022, however, the Korean Supreme Court ruled that a crystalline form inventions should not be treated differently from other chemical compound inventions, and that its inventiveness is recognized if there is constitutional difficulty in deriving the crystalline form invention (Supreme Court Decision No. 2018Hu10923, rendered on March 31, 2022). This ruling prompted a significant interest in the industry, from both original pharmaceutical companies and generic companies, as to whether Korean courts would proceed in the direction of enhancing the protection of crystalline form inventions in the future.

Against this backdrop, in a decision issued earlier this year, the Supreme Court ruled that the crystalline form invention at issue was not inventive after a two-prong analysis of “constitutional difficulty” and “remarkable effects” (Supreme Court Decision No. 2021Hu10343, rendered on March 28, 2024). In the following, we review this Supreme Court decision and its implications for assessing the inventiveness of crystalline form inventions.

2. Summary of the recent Supreme Court decision

The main issue in this case was whether the patent at issue, relating to a mirabegron α -form crystal, lacked inventiveness in view of the prior art that disclosed mirabegron and mirabegron dihydrochloride. There was no specific crystalline form disclosed in the prior art. However, the Supreme Court held that the claimed mirabegron crystalline form was not inventive based on the following rationale.

- (1) Consistent with the Court’s 2022 ruling, the Court first looked at whether there was “constitutional difficulty” in deriving the claimed crystalline form, and held that all relevant facts should be considered comprehensively in assessing whether a person having ordinary skill in the art could have easily derived the constitution of the crystalline form invention from the prior art. The Court noted that: the technical significance and intrinsic effect of the crystalline form invention, its structure and preparation method, the disclosures of the prior art, the technical level of a person having ordinary skill in the art, and the conventional polymorph screening methods at the time of patent filing should be identified from the records; and then, all relevant factors, such as whether the polymorphism of the compound of the prior art was

known or predicted, whether there was teaching, suggestion, or motivation in the prior art that would have led to the specific claimed crystalline form, whether the claimed crystalline form fell within the range of polymorphs that could have been examined in routine polymorph screening of the prior art compound, and whether the claimed crystalline form exhibited unpredictable, advantageous effects.

The Court then found that the claimed mirabegron α -form crystal fell within the range of polymorphs that a person of ordinary skill in the art could have examined in routine polymorph screening of the mirabegron compound known from the prior art, in view of the prior art disclosure suggesting polymorphism of the mirabegron compound and the known, commonly-used and conventional processes that could have been used to prepare the claimed crystalline form. In particular: (i) the prior art disclosed that its compounds, which included mirabegron, could be purified into free base, salt, hydrate, solvate, or polymorphic crystalline forms and described that such compounds included polymorphs, thereby suggesting mirabegron's polymorphism and providing a motivation to identify specific crystalline forms of mirabegron; and (ii) the prior art provided examples setting forth a method for preparing a dihydrochloride salt of mirabegron, from which mirabegron β -form crystal could be obtained by a conventional method of neutralizing the dihydrochloride salt, and the claimed α -form crystal of mirabegron could, in turn, be prepared from the β -form by commonly-used crystallization and recrystallization processes, such as heating, melting, cooling, etc.

- (2) As to "remarkable effects," the effects of the claimed mirabegron α -form crystal, described in the patent specification and in the additional experimental data submitted after filing, were found not sufficient to distinguish the claimed invention from the prior art. While there were experimental results comparing hygroscopicity of the α -form crystal with those of the dihydrochloride salt and β -form crystal, the Court noted that there was no substantial difference in hygroscopicity between the α -form crystal and dihydrochloride salt at the relative humidity of less than about 80%, and that a significant difference was shown only under harsh conditions. The Court noted further that, even if there were a different effect as to hygroscopicity between the α -form crystal and the dihydrochloride salt, it was difficult to tell whether such difference in the effect was attributed to the salt form or to the polymorphism. The Court thus concluded that it was difficult to deem that the claimed α -form crystal of mirabegron exhibited a quantitatively remarkable or qualitatively different effect over the compounds disclosed in the prior art. In addition, the difference in hygroscopicity between the α - and β -forms of mirabegron was only about 2.8%, and the Court noted that it was difficult to say that the 2.8% difference was quantitatively remarkable.

3. If the prior art mentions polymorphs, the patent holder should consider supporting materials showing "constitutional difficulty"

As noted above, before the 2022 Supreme Court decision, Korean courts found crystalline form inventions to be inventive only when "remarkable effects" were shown, based on the reasoning that, because of the routine practice of polymorph screening, there generally was

a motivation to screen for different crystalline forms of a known compound, such that there would not be any constitutional difficulty in developing a new crystalline form. Thus, a new crystalline form was deemed inventive only when it was shown to exhibit a qualitatively different or remarkable effect (see Supreme Court Decision No. 2010Hu2865, rendered on July 14, 2011).

The 2022 Supreme Court decision held that this should not be the case, and that constitutional difficulty should also be taken into account in assessing crystalline form inventions. In so holding, the Supreme Court noted that the question of whether a polymorph screening is routinely performed and the question of whether a person of ordinary skill in the art can easily arrive at a specific crystalline form invention are separate issues, and crystalline form inventions should not be categorically denied of constitutional difficulty. The recent mirabegron decision discussed above follows this principle and considered both “constitutional difficulty” and “remarkable effects” of the claimed crystalline form invention.

In the mirabegron case, however, the Court found against constitutional difficulty because: (i) although the prior art did not specifically disclose the claimed crystalline form, the α -form crystal, it indicated that a mirabegron compound could be refined to polymorphic crystals; and (ii) from the level of generally-known manufacturing processes, it would have been relatively straightforward to obtain a β -form crystal of mirabegron, and then the α -form crystal, from mirabegron dihydrochloride salt disclosed in the prior art.

This holding suggests that even a general mention of crystalline forms or polymorphism in the prior art can negate the constitutional difficulty of a crystalline form invention. Patent holders should therefore proactively consider and use disclosures that teach away from, or show the lack of motivation for developing, the particular, claimed crystalline form. Further, patent holders should consider showing that, even if there could have been a motivation to develop the particular crystalline form, it actually would not have been easy to arrive at the crystalline form, whether because the particular crystalline form falls outside the scope of routine screening, the processes known at the time of filing, or otherwise. In this regard, patent holders could consider utilizing experimental data and research papers, as well as expert reports and testimonies on technical issues.

4. For “remarkable effects,” experimental conditions, as well as experimental results, should be considered, and the relevant effect must be described in the specification

In showing the effect of a crystalline form invention, the patent holder can rely on additional experimental data, which can be submitted even after the filing date of the patent application. However, there must be some description of the effect in the specification such that the additional experimental data are not deemed to fall outside the scope of the initial disclosure.

In the mirabegron case, the “remarkable effect” argued by the patent holder was stability of the claimed α -form due to its lower hygroscopicity. The patent holder submitted post-filing experimental data to show that the α -form crystal had lower hygroscopicity compared

to mirabegron dihydrochloride salt and β -form crystal. However, the Court took great care to review the experimental conditions as well as the results, and ultimately found against the patentee. Thus, in preparing experimental data for submission, patent holders should carefully review, preferably with legal counsel, the experimental design and conditions, as well as all relevant parameters, so that an effective showing can be made for the effect.

It would be important that additional experimental data are considered to be covered by the patent specification. In the mirabegron case, the patent holder also submitted experimental data on preservation stability and photo-stability under harsh conditions, but the Court found those data as pertaining to effects not described in the specification, and therefore being beyond the scope of the description in the specification. Thus, in preparing additional experimental data for post-filing submission, it would be necessary to carefully consider whether the data can be deemed encompassed by the effects described in the specification.

5. Conclusion

In recent years, the Supreme Court issued a series of decisions holding that “constitutional difficulty” is not categorically denied for certain types of inventions such as crystalline form inventions (Supreme Court Decision No. 2018Hu10923 rendered on March 31, 2022, Supreme Court Decision No. 2019Hu11800 rendered on March 13, 2023, etc.; see also Supreme Court Decision No. 2019Hu10609 rendered on April 8, 2021 relating to “selection inventions”).

The most recent Supreme Court decision discussed above makes clear, however, that, even so, it may not be easy to show “constitutional difficulty” and “remarkable effects” for crystalline form inventions, and all relevant disclosures in the prior art as well as patent specification and related data should be carefully considered and argued. In light of this decision, patent holders should actively consider arguments and evidence teaching away from the invention, or showing that the development of the particular crystalline form invention would have required efforts beyond routine polymorph screening or conventional processes, or that it would have been difficult to arrive at the crystalline form without the benefit of hindsight. Patent applications should be prepared with potential challenges in mind, with sufficient description of effects to allow post-filing submission of additional experimental data, and the submission of additional data should be actively considered with careful attention to experimental design, conditions and results. We believe that, under the analytical framework for crystalline form inventions adopted in recent Supreme Court decisions, patent holders can be successful on inventiveness by making a strong showing on technical issues relating to constitutional difficulty and remarkable effects.

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Adoption of up to quintuple enhanced damages - how courts have treated treble damages and what to expect

1. Regulations and limits for punitive damages under the domestic intellectual property act

Since 2019, Korea has introduced and implemented the punitive damages up to treble the damages under the Patent Act, the Utility Model Act, the Unfair Competition Prevention and Trade Secret Protection Act (hereinafter referred to as the **Unfair Competition Prevention Act**), the Trademark Act, the Design Protection Act, and the Industrial Technology Leakage Prevention and Protection Act (hereinafter referred to as the **Industrial Technology Protection Act**). Conventional litigation for infringement of intellectual property rights, such as patent rights, followed the principle of compensation of actual damages, but since the amount of damages recognized in Korea had been relatively low, a punitive damages system was introduced to solve the problem of low effectiveness of the damages awards as a means of deterrent against those who intentionally commit infringement.

Recently, in the case of the Patent Act, the Utility Model Act, and the Unfair Competition Prevention Act, the laws were revised to increase the punitive damages to up to five times the damages award. This is interpreted as reflective of the social consensus that the seriousness of technology exploitation has recently increased. The amendment to increase the limit of punitive damages in relation to damages under the Patent Act and the Unfair Competition Prevention Act from up to three times to up to five times was passed by the National Assembly on January 25, 2024 and will take effect from August 21, 2024. For the Trademark Act, the Design Protection Act, and the Industrial Technology Protection Act, the limit on punitive damages remains at up to three times the damages awards.

Limit	Regulatory	
5 times	Patent Act Article 128(8)	Case where the act of infringing on the patent right or exclusive license of another person is deemed intentional
	Utility Model Act Article 30	Case where the act of infringing on another person's utility model right or exclusive license is deemed intentional
	Unfair Competition Prevention Act Article 14-2(6)	Where the act of stealing an idea or infringing on trade secrets is deemed intentional;

Limit	Regulatory	
3 times	<p>Trademark Act Article 110(7)</p>	<p>Where a trademark right or an exclusive license is infringed on by intentionally using a trademark identical or similar to the registered trademark of the trademark right holder or the exclusive licensee on goods identical or similar to the designated goods;</p>
	<p>Design Protection Act Article 115(7)</p>	<p>Case where the act of infringing on the design right or exclusive license of another person is deemed intentional</p>
	<p>Industrial Technology Protection Act Article 22-2 (2)</p>	<p>Where the divulgence or infringement of industrial technology is deemed intentional;</p>
<p>No regulations</p>	<p>Copyright Act, Act on the Layout-Design of Semiconductor Integrated Circuits, Invention Promotion Act, Act on Protection of New Varieties of Plants, and Act on Special Measures for Strengthening and Protecting the Competitiveness of National High-Tech Strategic Industries</p>	

2. Application of quintuple damages

Since the Patent Act and the Unfair Competition Prevention Act stipulate in the supplementary provisions that “the amended provisions shall apply to violations that occur after this Act enters into force,” the increase to quintuple damages system shall be implemented on August 21, 2024 and will be applicable to the acts of infringement such as patents infringement that occur thereafter.

Under the relevant statutes, the court will consider the following eight factors in determining whether to increase the punitive damages up to five time. (Article 128 (9) of the Patent Act and Article 14-2 (7) of the Unfair Competition Prevention Act).

- (1) Whether the infringer maintains a superior position
- (2) The degree of awareness of concerns over intent or possible loss
- (3) The severity of the damage to the patentee or exclusive licensee caused by such infringement
- (4) The economic benefits the infringer has obtained from such infringement
- (5) The duration, frequency, etc. of such infringement
- (6) Fines for such infringement
- (7) Financial condition of the infringer
- (8) The degree of efforts made by the infringer for remedies

Due to the statutory provisions, there is no difference between the treble damages system and the quintuple damages system in the factors considered when determining the enhanced damages. However, considering that there was a discussion at the National Assembly that the technology of small and medium-sized enterprises should be protected when the increase to quintuple damages system was discussed, under Article 128 (9) of the Patent Act and Article 14-2 (7) of the Unfair Competition Prevention Act, No. 1 factor No.1 (whether the infringer maintains a superior position) and No. 7 factor No. 7 (financial condition of the infringer) will likely to be considered particularly important in determining the enhancement amount, and the more superior the infringer’s position is and the more advantageous the infringer’s financial status is, the greater the enhancement of the damages is expected.

3. The court’s position

Since the treble damages system took effect on July 9, 2019, the cases related to the enhanced punitive damages have been steadily accumulating, yet the courts seldom utilized the provision to actually enhance the damages. In the provisions of the amended Patent Act of 2019, where the treble damages was introduced, the provisions of the Addendum of the Patent Law Amendment Act stipulated that “the amended provisions of Article 128 (8) and (9) shall apply to the first violation committed after this Act enters into force.” In consideration of this provision, many of the lower courts eschewed to enhance the damages due to the act of patent infringement first occurring prior to July 9, 2019.

When to apply the treble damages	When to apply the quintuple damages
<p>Transitional Provisions of the Amended Act of 2019 (Supplementary Provisions)</p> <ul style="list-style-type: none"> ■ Article 1 (Enforcement Date) July 9, 2019. ■ Article 3 (Applicability to Liability for Damages) The amended provisions of Article 128 (8) and (9) shall apply to the first violation committed after this Act enters into force 	<p>Transitional Provisions of the Amended Act of 2024 (Addenda)</p> <ul style="list-style-type: none"> ■ Article 1 (Enforcement Date) August 21, 2024. ■ Article 3 (Applicability to Liability for Damages) The amended provisions of Article 128 (8) shall apply to violations committed after this Act enters into force.

However, making a departure from the previous courts, the Busan District Court recently ruled on October 4, 2023 (No. 2023Gahap42160) to enhance patent infringement damages even though the first act of patent infringement began prior to the July 9, 2019 enforcement date and began in November 2015. The court decided to enhance the damages based on those acts occurring after July 9, 2019. It would be worth tracking whether the higher courts will decide to follow the example of the Busan District Court and apply the treble damages rule to the acts of infringement committed prior to the July 9, 2019 enforcement date. In the end, considering the purpose of the revised law to strengthen the enhancement rate from three to five fold and the relevant amendment in laws having made it clear that any act of infringement after the August 21, 2024 enforcement date would be subject to the quintuple damages provision, courts are expected to recognize and award a higher rate of punitive damages in the future.

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Recent decision by a district court on trademark exhaustion: whether reforming a trademarked product exhausts the original trademark owner’s rights

A practice came to be known as “reform” in Korea involves disassembling famous brand products to form new products and has been used for the production of clothing and accessories not only for celebrities but for laypeople as well. However, recently, the court issued a ruling stating that the act of “reforming” of luxury bags by a professional reformer constitutes an infringement of trademark rights (Seoul Central District Court No. 2022Gahap513476, rendered on October 12, 2023).¹

1. Overview of the case and the judgment of the court

In 2022, Louis Vuitton (hereinafter referred to as the **Plaintiff**) filed a lawsuit against a reformer (hereinafter referred to as the **Defendant**) who was in the business of reforming Louis Vuitton bags into other types of bags or wallets of new design, claiming such conducts constitute trademark infringement. The main issue of this ruling was (1) whether the Plaintiff’s trademark rights were exhausted and (2) whether the Defendant’s reform activities constituted the “use of a trademark” on the “product.”

	Before reform	After reform
1		
2		

¹ The court ruled that the defendant should pay KRW 15 million worth of damages, which the defendant has appealed and is being heard in the IP High Court (IP High Court No. 2023Na11283)

■ Whether the Plaintiff's trademark rights are exhausted

Trademark exhaustion refers to the principle that a trademark holder cannot repeatedly claim his or her rights to subsequent distribution, etc., as long as the trademarked product is once sold to the original purchaser. As an exception, the legal precedent on the issue has recognized that there was no exhaustion of trademark rights in the case of processing or repairing of the trademarked product to the extent that it harms the identity of the product, and in this case, the court found that the Plaintiff's trademark rights were not exhausted because the Defendant's reform activities exceeded simple repair and amounted to harming the identity of the original product. The issue has recognized that there was no exhaustion of trademark rights in the case of processing or repairing of the trademarked product to the extent that it harms the identity of the product, and in this case, the court found that the Plaintiff's trademark rights were not exhausted because the Defendant's reform activities exceeded simple repair and amounted to harming the identity of the original product.

■ Whether the trademark is used for the product

"The use of a trademark" is described as an act of using a trademark as an indication of the source of a product, that is, an object of an independent commercial transaction (Article 2 (1) 11 of the Trademark Act). The court ruled that even if the reform product is not in reality distributed in the marketplace, it is considered as a product since it inherently has exchange value, and that the use of the trademark is recognized because there is a risk that a third party may confuse the source of the product as long as the Plaintiff's well-known pattern and trademark was used on the product. In particular, the Defendant's act of reforming the Plaintiff's bag at the request of the original owner and returning the reformed bag to the owner was found to be an act of using trademark in this case, as such act constituted "displaying a trademark on goods" under Article 2 (1) 11 (a) and "transferring or delivering goods" under Article 2 (1) 11 (b) of the Trademark Act.

2. Analysis and implications - focusing on the theory of trademark exhaustion

The existing precedent was that if a new product was created by processing or repairing to the extent to harm the identity of the original product, the trademark right of the trademark holder was infringed because maintaining the trademark of the previous product on the new product would harm the function of indicating the source or quality as embodied by the trademark. In the previous ruling, the Supreme Court saw that Fujifilm's trademark rights were not exhausted if the film inside the Fujifilm's disposable camera was replaced with a new film from another company and the camera was re-packaged².

However, in cases where tampered playing cards for the purpose of cheating in gambling was manufactured and sold with the trademark owner's gaming cards³ or components from other mobile phones were incorporated into a used mobile phone⁴, the courts found that the identity was not harmed, and thus recognized the exhaustion of trademark rights.

There has been a controversy over trademark infringement on the reform activities before. In 2023, controversy arose over the manufacture and sale of wallets, bags, etc. made from Nike shopping bags, and the Korean Intellectual Property Office announced that these reforms, which harm the identity of existing products, could undermine the quality assurance function of the trademark and infringe on the trademark rights⁵.

There are competing views on the reform activities: there is a view that advocates no exhaustion on the basis that the Trademark Act should protect the source indication and quality assurance functions of the trademark, and in the case of the reforms which often escape the strict quality control to protect the unique value of the trademark of the trademark holder, it can undermine the goodwill and cachet of the trademark holder and is substantially the same as the manufacturing of the counterfeit products. On the other hand, there is a view that supports applying the principle of trademark exhaustion to the reforms, raising questions about the possibility of misunderstanding and confusion of sources with respect to the resulting goods.

In this case, the ruling that the Plaintiff's product has lost its identity before and after the reform through the Defendant's reform activities is based on the criteria set in the existing precedent on the exhaustion of trademark rights. However, while the prior cases involved trademark infringement by business operators producing the reformed product for sale, the present case is unique in that the Defendants was a professional reformers who performed reforming activities at the request of original purchaser of the bags to reform their bags., i.e. the reformers provided reforming service to the original purchasers.

² Supreme Court Decision No. 2002Do3445, rendered on April 11, 2003: In this case, it was stated that the disposable camera manufactured by Fujifilm was left in the development center after the photographing, the seal of the camera was removed, and the film already used was removed and developed, thereby the life of the disposable camera was terminated, and the camera packaging stated the body was not to be returned after development of the pictures. The infringer retrieved the disposable camera and inserted new film (another company's product, not Fujifilm's film), which is an important and essential part in terms of the performance or quality of a disposable camera, and then repackaged it, and this was found to be beyond the scope of simple processing or repairing. It was judged that this is a new production act in practice, as it is the case where the original quality or shape was changed to the extent that it harms the identity of the product.

³ Supreme Court Decision No. 2009Do3929, rendered on October 15, 2009: It is a judgment on the case of manufacturing and selling doctored playing cards made from cards with another person's registered trademark and adding on the back of the cards patterns and numbers with a special ink so that such markings can only be identified by using a contact lens for color correction or an infrared filter but not with the naked eye. The trademark infringement claim was denied because the act of manufacturing or selling the doctored cards could not be regarded as processing or repairing enough to harm the identity of the original product or as violating the function of indicating the source or quality assurance of the trademark.

⁴ Seoul Central District Court No. 2020No878, rendered on August 12, 2020

⁵ The Korean Intellectual Property Office said, "The two faces of an eco-friendly repair (reform) product..." Trademark Infringement Needs", press release, August 11, 2023

It is noteworthy that the first instance court found the following about the act of returning the bags entrusted by the original owner for reform to the owner after the reformers complete the reform service: the court (i) recognized the reformed bags to be goods in the market place due to the potential possibility of future distribution of the reformed bag, and (ii) determined that the act of returning the reform bag to the original owner of the bag is the delivery of the goods by the reformers, thus recognizing the act of returning the bag provided by the consignment of the consumer after the reform by the reformers as the manufacture and transfer of the goods, and determining the reformers' reform activities as equivalent to the act of manufacturing and transferring goods by product manufacturers. In the end, the above ruling is meaningful in that it shows the court's position that the exhaustion of trademark rights is not recognized even for the reform activities by the reformers upon the request of the original purchaser.

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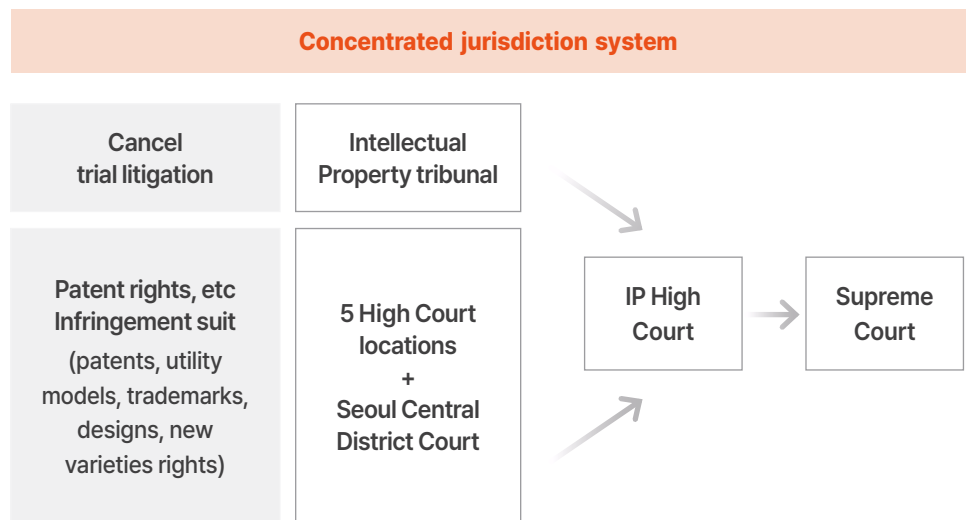
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Explanation of courts' efforts to improve the concentrated jurisdiction system governing IP related cases

1. Current jurisdictional system overview

In general litigation, a court's jurisdiction is determined by the address of the party in principle, but lawsuits related to intellectual property rights in five areas, including patent rights, utility model rights, trademark rights, design rights, and new variety protection rights, have been subject to concentrated jurisdiction system from 2016 to enhance judgment expertise and consistency. Based on such principle, the first instance court of a civil main case involving patent rights, utility model rights, design rights, trademark rights, and variety protection rights is the district courts located in six cities (Seoul, Busan, Daejeon, Daegu, Gwangju, and Suwon) where the High Court is located regardless of the address of the party concerned (in the case of Seoul, several district courts exist, but the Seoul Central District Court has been designated for this purpose), and the second instance court from such lawsuit is the Intellectual Property High Court (Article 24 (2) of the Civil Procedure Act and Article 28-2 of the Court Organization Act). In addition, when the Intellectual Property Trial and Appeal Board makes a trial decision or decision to dispute the establishment or validity of a patent right, etc., the appeal therefrom (a lawsuit to cancel a trial decision) is also under the jurisdiction of the Intellectual Property High Court.



Looking at recent precedent, in practice, there is a movement to further realize the purpose of the concentrated jurisdiction system by expanding all types of cases related to intellectual property rights in the above five fields to the subject of the concentrated jurisdiction system. For example, even in a case of claiming compensation for damages due to failure to exercise attributable obligation of share of patent right due to the agreement on joint technology development or a case of requesting return of the deposit for employee invention compensation, the courts ruled that the appeal of such lawsuit belong to the exclusive jurisdiction of the IP High Court as it was considered that the lawsuit requires professional knowledge or understanding of

technology related to intellectual property rights such as patent right in its examination and judgment (Supreme Court Decision No. 2017Ma6337, rendered on April 10, 2019, Supreme Court Decision No. 2023Da309549, rendered on March 28, 2024, etc.). If it is recognized as a case in violation of the concentrated jurisdiction system, the higher court may rule that jurisdiction rule was violated and the case may be transferred to the competent court with the exclusive jurisdiction or the judgment of the lower court may be reversed, therefore, unless there are special circumstances, it is safe to file a lawsuit with the Seoul Central District Court, where the jurisdiction over intellectual property rights is always recognized.

2. A proposal to improve the concentrated jurisdiction system

In the current concentrated jurisdiction system, lawsuits related to intellectual property rights other than the above mentioned five fields, e.g., unfair competition behavior, trade secrets, copyrights, and semiconductor layout design rights, as well as the preliminary injunction or criminal cases involving the intellectual property rights are not included in the concentrated jurisdiction system. As such, despite the need for technical expertise in such cases, it was often difficult to proceed with a panel with technical expertise, and accordingly, opinions have been steadily raised that the concentrated jurisdiction system needs to be expanded to encompass such cases.

In response to these demands, in January 2023, the Presidential Council on National Intellectual Property launched the “Special Expert Committee on the Improvement of Litigation Expertise Related to Intellectual Property Rights” to discuss various ways to increase the efficiency and expertise of litigation related to intellectual property rights, including the expansion of the concentrated jurisdiction system, to derive a proposal to expand and improve the jurisdiction system for intellectual property rights litigation.

■ Expand target rights

In addition to the existing patent rights, utility model rights, trademark rights, design rights, and variety rights cases, a proposal was proposed to expand the scope of jurisdiction in intellectual property lawsuits, including unfair competition, trade secrets, semiconductor layout design rights, and industrial technology infringement cases.

There is a conflict of opinion as to whether or not to include a copyright case in the concentrated jurisdiction system because some object that copyright cases are not technology cases and are not appropriate for the subject of the concentrated jurisdiction, but the majority opinion has been that it is reasonable to include copyright cases in the subject of the concentrated jurisdiction system along with other intellectual property rights lawsuits in view of the close relationship of copyright cases to other intellectual property rights cases, reflection of the trend of technology convergence, and to prepare for new and unforeseen types of infringement.

- **Expand incident type**

In consideration of the importance and difficulty of the IP preliminary injunction case, a proposal was made to include preliminary injunction cases involving IP rights in addition to general civil cases such as claims for damages. In addition, discussions are underway that due to the need for high-level of technical decisions to be made, the requirement to use technical experts, and for quick and efficient damage relief, that criminal cases for intellectual property rights should also be included as a subject of concentrated jurisdiction.

- **Improving accessibility to IP High Court**

As the jurisdiction of the second trial of the patent suit was unified to the IP High Court located in Daejeon, a plan was also proposed to establish the “Seoul Branch of the IP High Court” to increase the accessibility of the parties in the metropolitan area, including Seoul, where the main consumers exist.

These improvements are currently being actively reviewed, and in practice, precedents tend to require judges with technical expertise to hear cases by looking at the subject of jurisdiction broadly, so it is expected that the subject of concentrated jurisdiction will expand to trade secrets, unfair competition activities, and preliminary injunction cases in future intellectual property rights-related litigation. As a result, it is expected that the predictability of the judgment will increase as cases related to intellectual property rights are intensively heard by specialized courts. In addition, it is expected that convenience and efficiency will increase as the pace of litigation related to intellectual property rights increases.