

INTELLECTUAL PROPERTY TRIAL AND APPEAL BOARD

2016

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특허심판원
Intellectual Property Trial and Appeal Board

Gov. Complex Daejeon Building.2, 189, Cheongsu-ro,
Seogu, Daejeon, 35208, Republic of Korea
Tel. +82-1544-8080



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Intellectual Property Trial and Appeal Board

Overview of Trial and Appeal in IPTAB

About IPTAB?

Establishment

The **Intellectual Property Trial and Appeal Board (IPTAB)** is an administrative law body of the **Korean Intellectual Property Office (KIPO)**, established through the merger of the previous Trial Board and the Appellate Trial Board. In concurrence with that of the Patent Court the Board started its operation in March 1998.

Organization

In its early days the IPTAB had a Trial Policy Division and 13 Boards with 13 presiding administrative patent judges and 26 administrative patent judges. After years of constant efforts to increase a skilled workforce and restructure the organization, the IPTAB now has **11 Boards with 11 presiding administrative judges and 95 administrative judges, Trial Policy Division and Litigation Team.**

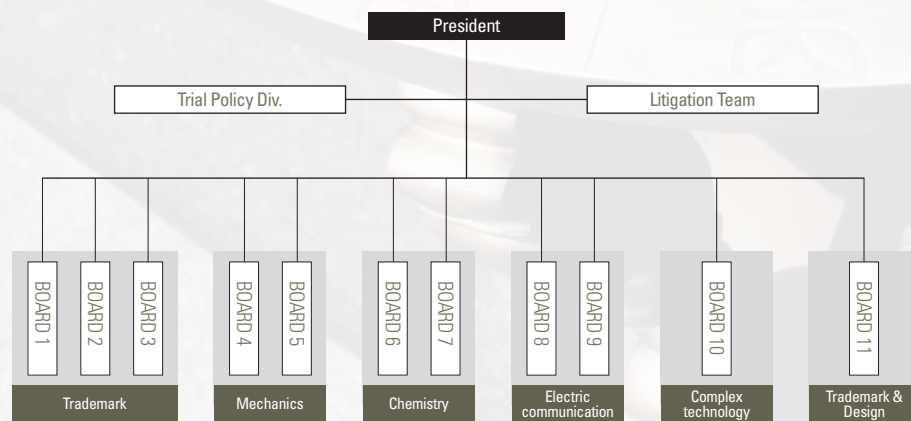
Functions

The President of IPTAB oversees and directs management plans and affairs and also supervises and leads the Board's officials and employees. He also may act as the presiding administrative judge for the cases acknowledged as being very important.

Each board hears trials and appeals to address the issues at stake in disputes over such as rejection and allowance of application, and invalidation, cancellation, correction, and confirmation of scope of right of granted rights, that require highly technical judgment and expertise.

The Trial Policy Division conducts formality examination and trial quality evaluation, and is also responsible for trial and appeal policies. The Litigation Team deals with the litigation cases under the jurisdiction of the Patent Court, in which the KIPO Commissioner is the defendant.

Organization of IPTAB



Panel for Trial

A panel of three or five administrative judges hear a trial and they make an agreement by majority vote before rendering a final decision. Of them, one is appointed by the IPTAB President as a presiding administrative judge to manage the specific case.

Trial Proceedings

At trial hearings may be held orally or in writing. Normally the latter is more prevalent, and the former is held when a party makes a request for it or the presiding administrative judge admits the necessity of having an oral hearing. An examination of evidence is conducted pursuant to the Civil Procedure Act.

Types of Trial

There are two types of trials: ex parte cases and inter partes cases. Ex parte cases are an appeal against an examiner's decision, that involves only a petitioner. In inter partes cases, a petitioner and defendant make their own arguments over a granted right to settle the dispute.

Ex Parte Trial	Inter Partes Trial
<ul style="list-style-type: none"> • Appeal against a decision to reject application • Trial for correction (patent, utility model) • Appeal against a decision to reject amendment (design, trademark) 	<ul style="list-style-type: none"> • Invalidation trial • Trial to confirm the scope of a right • Trial for trademark registration cancellation

Appeal against a decision to reject application : When an applicant receives a decision of rejection from an examiner he or she may pursue an appeal within 30 days of the date of receipt of the certified copy of the decision.

Trial for correction : A patent holder may pursue a petition for correction of the granted patent or utility model for the reasons of narrowing a claim, correcting a clerical error, and/or clarifying an ambiguous description.

Appeal against a decision to reject amendment : When an applicant makes an amendment before the delivery of the copy of publication (trademark) or during examination (design patent), and an examiner makes a decision of rejecting the amendment based on the presumption that the amendment has changed the subject matter, the applicant may pursue an appeal within 30 days from the date of receipt of the certified copy of the decision.

Invalidation trial : An interested party may seek a trial to retroactively invalidate the granted patent (design, trademark) right based on statutory invalidation grounds.

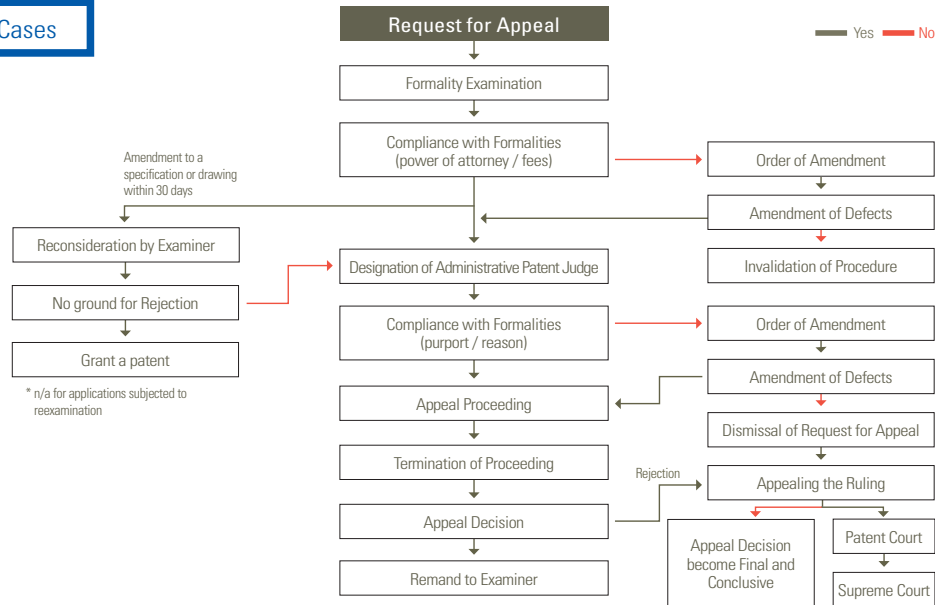
Trial to confirm the scope of a right : An interested party may seek a trial to confirm whether a technology or trademark practiced or will be practiced by a third party falls within the scope of a granted patent, design or registered trademark.

Trial for trademark registration cancellation : A party may seek to remove the existing registration of a trademark from the register, based on a ground raised after the registration. (For the petitions filed from September 2016, if determined to be cancelled, the registration of a trademark will be invalidated with retroactive effect from the date of filing the petition.)

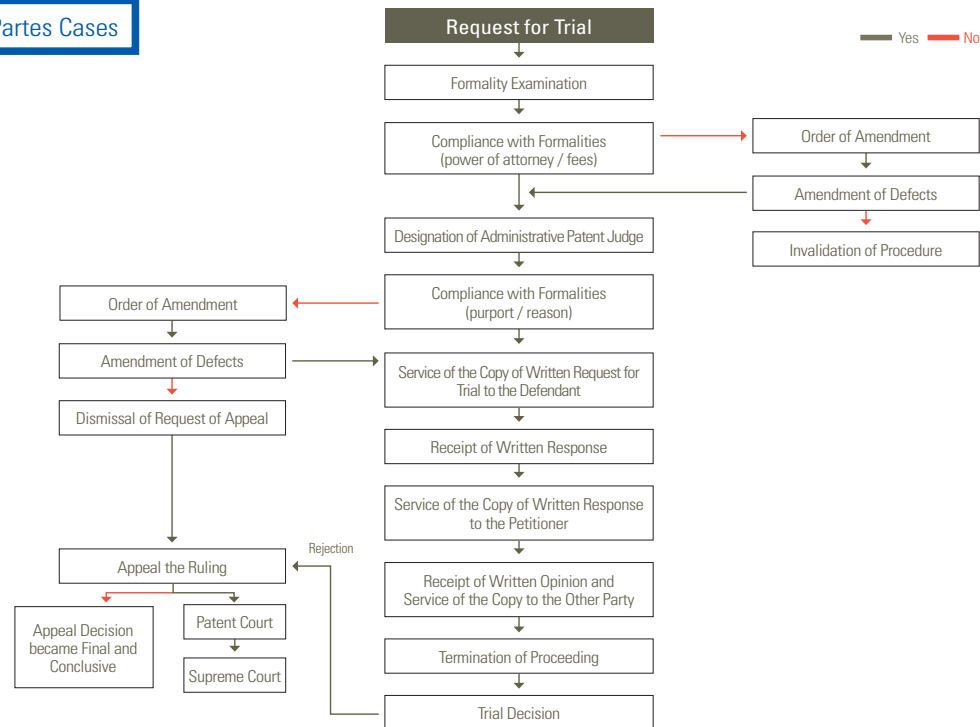
Procedural Flow of Trial and Appeal in IPTAB

Patent Litigation System

Ex Parte Cases



Inter Partes Cases



Trial proceedings

A party may file a petition to appeal a decision of IPTAB to the Patent Court, the IP specialized high court, and an appeal against a decision of the Patent Court shall be made to the Supreme Court. It can be construed, therefore, that **the IPTAB acts as the court of first instance**.

Concentration of jurisdiction over infringement cases

For long the jurisdiction for patent litigations were dispersed under a bifurcated system: Damages and infringement cases were heard by one of the general district courts, while appeals against the IPTAB's decision were heard before the Patent Court. Taking into account the criticism that such bifurcated system would have adversely affected expertise in courts and resulted in less-effective proceedings, it has been determined to grant **the Patent Court the exclusive jurisdiction over all appeals not only from the IPTAB but also the district courts, from 2016**.

With the new jurisdiction, the first instance of infringement litigation over the rights of patent, utility model, design, trademark, and plant variety will be heard by one of the five district courts across the nation, and any appeals of the infringement litigation will be reviewed before the Patent Court. Exceptionally, the Seoul District Court may have a dual jurisdiction.

Flowchart of the Patent Litigation System

Until 2015

Appeal Against Trial Decision	IPTAB	Patent Court	Supreme Court
Infringement lawsuit	District Court(18) Branch Court of a District Court(40)	High Court(5) Court of Appeal of a District Court(18)	Supreme Court

Revised from 2016

Appeal Against Trial Decision	IPTAB	Patent Court	Supreme Court
Infringement lawsuit	Seoul / Daejeon / Daegu / Busan / Gwangju District Court(5)	Patent Court	Supreme Court

Exception: Seoul District Court has dual jurisdiction



Recent Trial and Appeal Policies in IPTAB

Reducing trial pendency

With the recent surge in intellectual property rights disputes, the IPTAB has implemented policies and measures to reduce trial pendency and resolve the disputes as swiftly as possible. In 2015, the Board hired five new administrative judges and promoted the use of oral hearing to quickly identify issues at stake in disputes. As intended, such efforts resulted in the reduction of **inter partes trial pendency to 5.9 months**, slightly exceeding the initial objective of achieving 6 months pendency period.

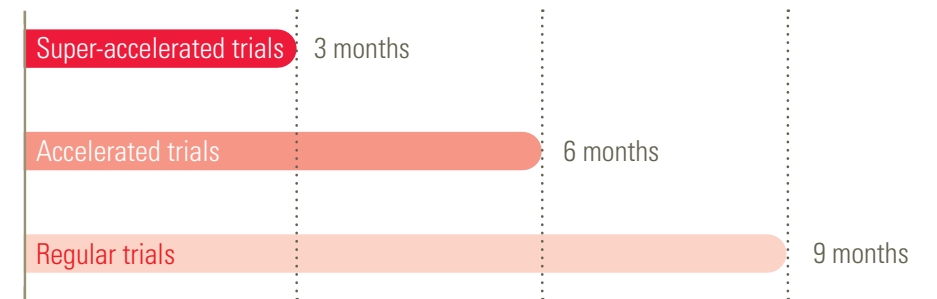
Three-track trial service

The IPTAB operates a **three-track** (super-accelerated, accelerated, and regular) trial system in order to more efficiently handle trials that require expedited processing.

Regular trial treats cases by a trial request order, but some re-trial cases, in which, e.g. the Board's decision is reversed from the Patent Court, are given the priority over the regular trials to be dealt with as an **accelerated trial**.

Under **Super-accelerated track**, normally an oral hearing is held within one month from an expiry date of written opinion submission and a trial decision is made within two weeks after the oral hearing. Thus, petitioners/defendants on this track are able to receive a trial decision within three months. It is the fastest trial option, but certain cases e.g. that an infringement suit regarding the same patent is pending are eligible for the track.

Customer-tailored patent trial system



No. of trial decision in 2015

	Patent / Utility Model	Trademark / Design	Total
Super-accelerated trial	142	22	164
Accelerated trial	1,015	394	1,409
Regular trial	4,278	3,693	7,971
Total	5,435	4,109	9,544

Super-accelerated trials

- Trial with pending infringement lawsuit/trial related to the KTC's investigation of unfair trade practice
- Trial with a (one-person) start-up as a party
- Trial requested by a SME in a SME vs. large company dispute

Accelerated trials

- Re-trial after the reversal of trial decision from Patent Court
- Trial with notice of infringement for the measures to prevent patent disputes, etc.

Activities to Improve Trial Quality

Administrative judges are selected from among a pool of qualified patent/trademark/design examiners, each of whom averages at least ten years of examination experience.

In order to help them refine their expertise, various training programs are provided, including customized OJT training, regular refresher courses, and legal courses. The judges also engage themselves in regular self-study programs through which they can converse with participating court judges and professors from relevant fields. Providing feedbacks from a quality evaluation committee of IPTAB on the trial decisions made by the administrative judges also functions as an integral part of trial quality control activities.

Video Conference Oral Hearing Trial Service

In April 2014, as part of the efforts to make the IPTAB services more convenient and accessible, a video conferencing system was set up for oral hearings. The video conference allows trial parties to take part in an oral hearing remotely at KIPO's Seoul branch office, without having to make a trip to KIPO's Daejeon headquarters office.

A survey conducted among video conference users reported a 95% satisfaction rate, with 98% of the respondents stating they would use it again down the road.

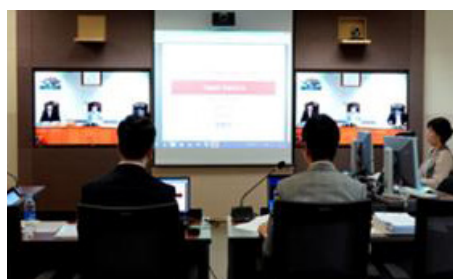
Video Conference Oral Hearing Room



① Daejeon Hearing Room



② Seoul Hearing Room



Revisions of the Patent, Trademark and Design Protection Act

In KIPO's Acts, it is required that the fee for an appeal against an examiner's decision of rejection must be paid in full by the trial petitioner. There, however, had been any rule or regulation stating that the petitioner would be refunded when the result of the appeal finds the examiner's decision of rejection to be revoked and this was what the petitioners had complained of. To address it, the **IPTAB made an amendment to the Patent, Trademark and Design Protection Act to allow petitioners to be paid back if the examiner's rejection decision is found to be revoked through no fault of the petitioner.**

There are other cases where a petitioner now can make a refund claim for the fee paid: a) When a trial request or a petition to participate is dropped by the petitioner him/herself prior to the notification of the closing of hearing, and/or b) when a trial request is dismissed by the IPTAB or when the petitioner as a trial party is denied eligibility for participation, half of the paid trial request fee will be refunded in view of the failure of providing corresponding administrative services. Such change will be in force in the first half of 2016.

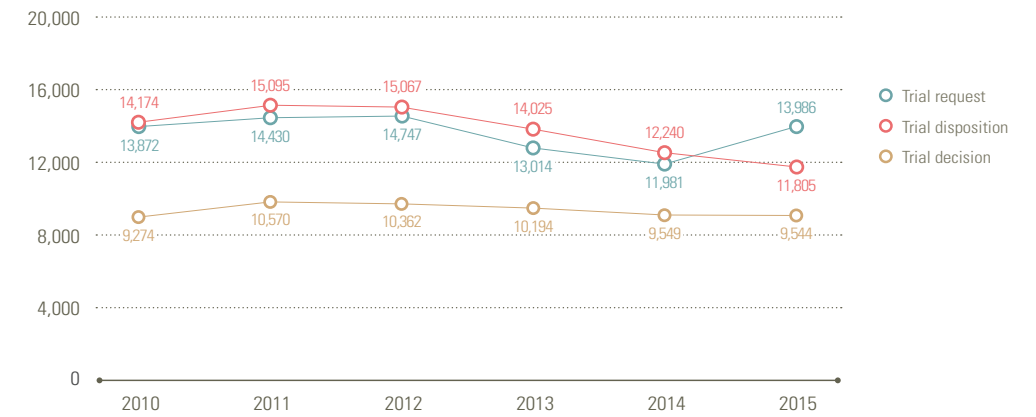
Amendments to Trial Procedure Regulations

The drug patent linkage system under the pharmaceutical law was implemented in March 2015 to boost the generic drug industry through patent challenges (i.e. invalidation of registered drug patents) while still providing a patent holder with fair compensation (i.e. a sales ban on generic drugs) for their investments and endeavor. The introduction of the linkage system caused a significant increase in petitions for patent trials (to a total of 1,957 petitions in 2015). Had these trial decisions been delayed, producers of generic drugs would have suffered heavy losses from having to wait to enter the market. Delayed trial decisions can also lead to financial losses on the part of National Health Insurance. To prevent this, **the IPTAB amended its trial procedure regulations in March 2015 in order to lay the foundation for allowing the cases such as an invalidation trial for drugs and a trial to confirm the scope of a drug patent right, to be put on the accelerated track.**



Recent Trial and Appeal Trends in IPTAB

Number of trial request, disposition and decision



Number of trial request, disposition and decision in 2015

	Ex parte cases			Inter partes cases			Total
	Patent / Utility models	Trademarks / Industrial designs	Subtotal	Patent / Utility models	Trademarks / Industrial designs	Subtotal	
Number of request	6,346	1,695	8,041	3,018	2,927	5,945	13,986
Number of disposition	5,423	1,764	7,187	2,200	2,418	4,618	11,805
Number of decision	3,546	1,740	5,286	1,889	2,369	4,258	9,544

Footnote) 1. As of document dispositions

2. The number of dispositions includes trial decisions(acceptance, rejection, dismissal, withdrawal) by administrative judges, invalidations of the procedure and cases whose registrations were decided by an examiner's reconsideration before trial

Trial Pendency Period (unit : month)

