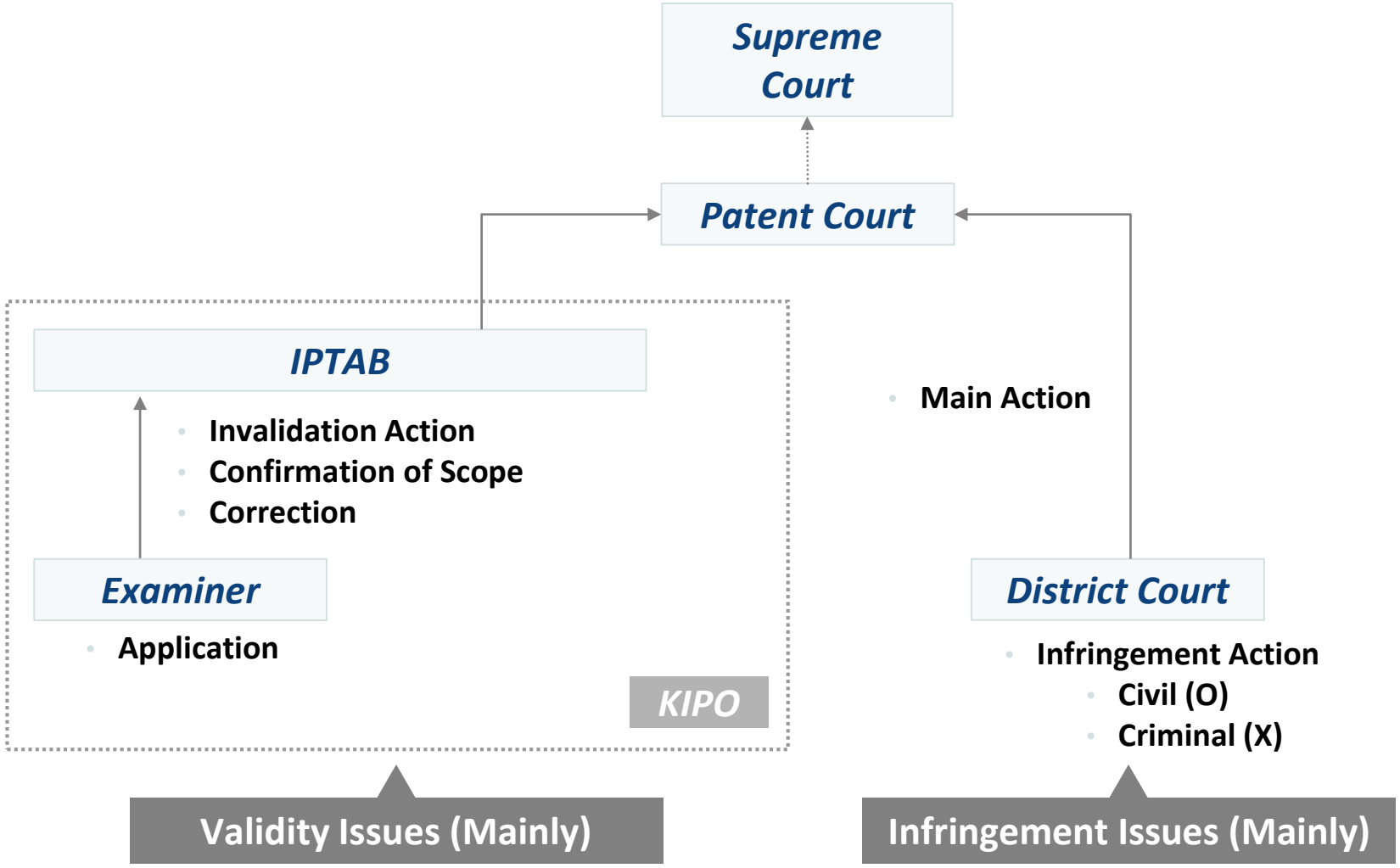
Korean Patent Litigation System

JSIP 2019

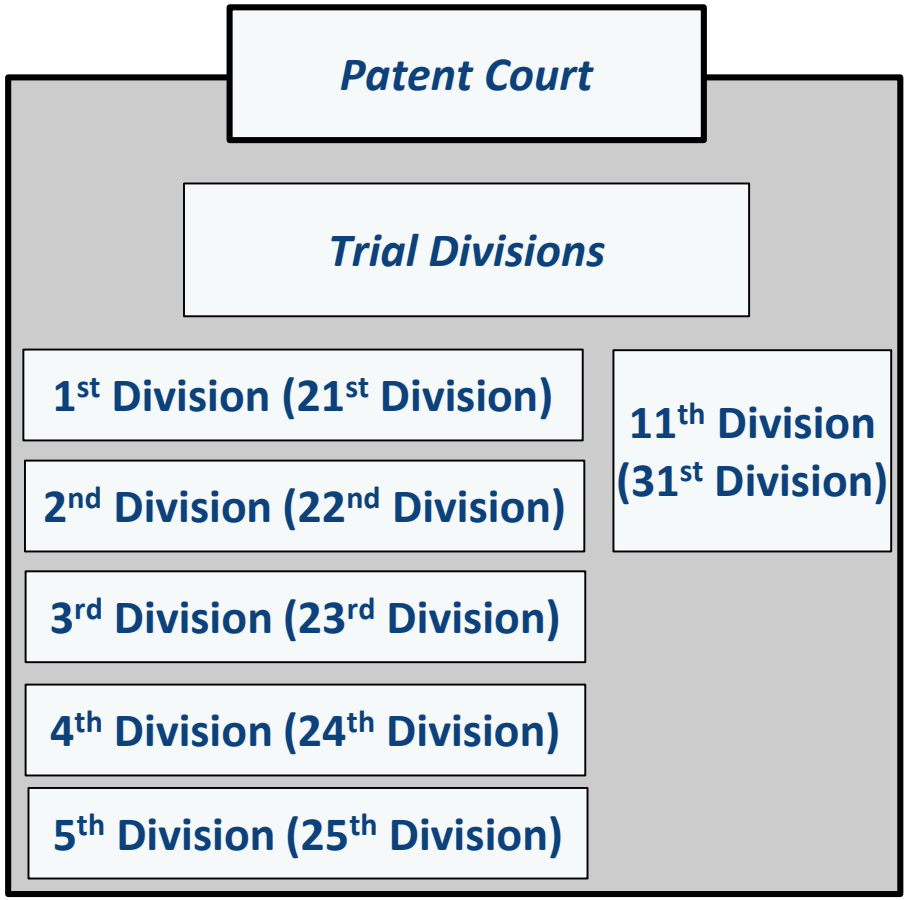
2019. 9. 25.

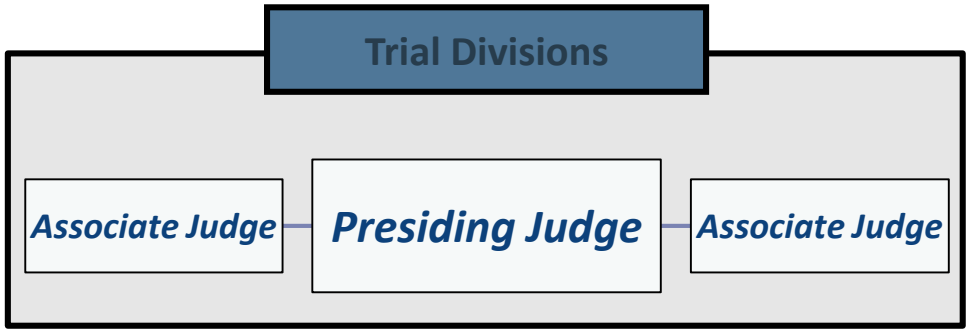
Changes in the Tribunal System for Patent Infringement

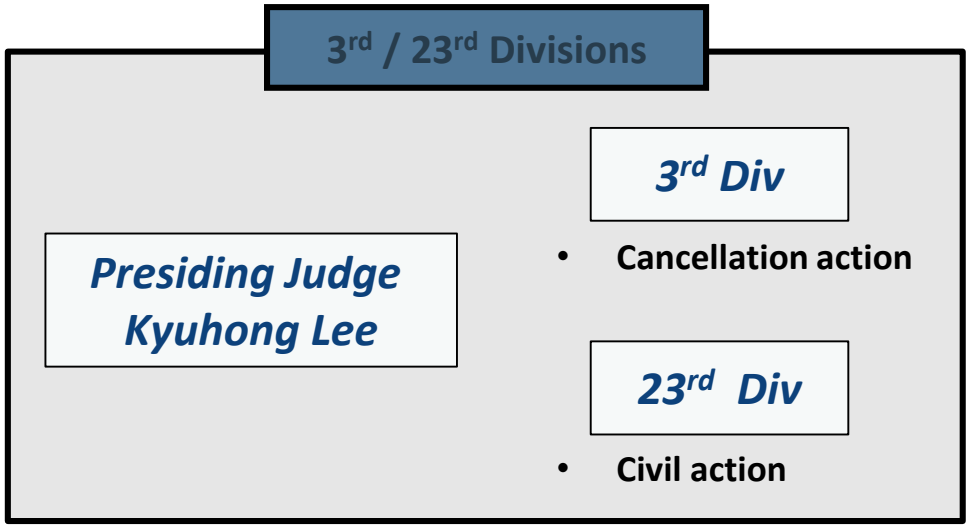
Korean Court System: Separation of Jurisdiction (Jan. 1, 2016)



Organization of Korea Patent Court







- **5 judicial divisions (3 judges for each division)**

Organization of Korea Patent Court

Judicial technical examiner(15) / Judicial research officer(8)

Highly technical matters, which the Patent Court is routinely called for to deal with, are referred to Judicial technical examiner and Judicial research officer, who must satisfy one of the following prerequisites:

(ⅰ) more than 5 years experience as a technical examiner or a trial examiner at KIPO;
(ⅱ) more than 7 years experience as a government official dealing with matters related to industrial or scientific technology, and more than 5 years spent in above Level 5 positions;
(ⅲ) a master's degree and 10 years experience in the relevant field;
(ⅳ) a doctorate degree in the relevant field;
(ⅴ) a National Engineering Certificate obtained in accordance with the National Engineering Certificate Law.

Currently, 15 Judicial technical examiner and 8 Judicial research officer with long-term experiences in various scientific fields-such as mechanical engineering, electronic engineering, chemical engineering and bio-engineering serve at the Patent Court.

International Cases and International division

Related Act

- **Court Organization Act Article 62-2 (Effective as of June 13, 2018)**

International Case

- **Given the opposing parties' consent, a party may litigate in a foreign language**

International division

- **Court division exclusively designated for International Cases**
- **Established in the Patent Court and Seoul Central District Court, and may be established in Daejeon, Daegu, Busan, Gwangju district courts, if necessary**
- **Division will provide simultaneous translation services and a research assistant with foreign language skills and international experience**

Advantages of Using International Trial

Arguing the case in a permitted foreign language

- **Besides the parties in the international case, if the expert witness testifies in a permitted foreign language in international case, the party does not need to be accompanied by an interpreter**

Simultaneous Interpretation

- **The Court shall have an interpreter interpret the words of the judicial division and participants in the proceedings on the trial date, and simultaneous interpretation shall be provided in principle.**

Arguing in the Foreign Language

- **Documents written in permitted foreign languages in international cases need not be translated**

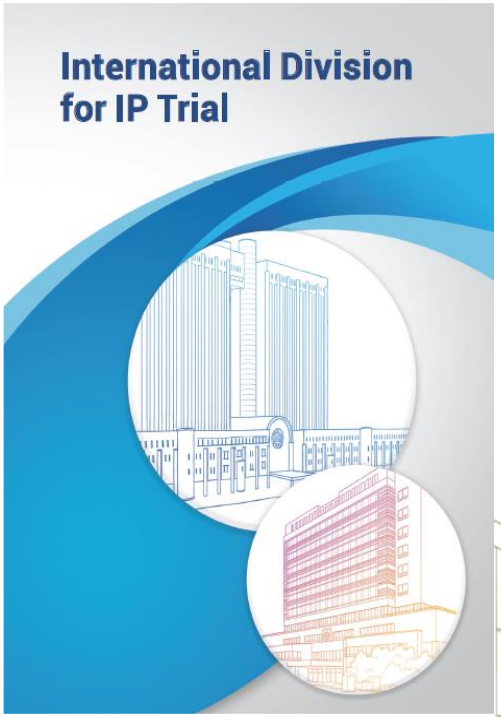
Decision to proceed as the international case

Application for the International Case

- **A Plaintiff who decides to apply for a "foreign language argument" under Article 62-2 of the Court Organization Act must submit an application for such argument to be made**
- **After the foregoing application is filed, the Court will deliver to the Defendant a copy of an opinion form together with a copy of an application form**
- **The Defendant will then submit an opinion form, agreeing to the Plaintiff's application for the "foreign language argument"**

Application and consent for the "foreign language argument" shall be made, in principle, prior to the date of the first trial

International Division for IP Trial (brochure)



Establishment of the International Divisions

More and more foreign parties are litigating their patent cases in Korea. Taking up one-third (33.3%) of total cases in 2017, they have called for better language access for foreign parties. The newly amended Court Organization Act of Korea, effective from June 13, 2018, established the International Divisions to handle certain intellectual property cases with a goal of providing prompt, affordable, fair, and convenient judicial services to all parties. As a result, parties can now make oral arguments or submit documents in foreign language in Korean courts.

A case may be brought to the International Divisions when: (a) a party to the lawsuit is a foreigner or a foreign company; (b) there is a need to examine material evidence in foreign language; or (c) there are other circumstances that make the case "international" in nature. The International Divisions are currently installed in Seoul Central District Court and the Patent Court. Each International Division consists of a three-judge panel assisted by technical examiners and interpreters working full-time at the court.

How to Bring Your Case to the International Division

To bring a case to the International Division, mutual consent of the parties must be present. Upon a written application and a written consent, the International Division may give its permission to handle the case unless granting the application is likely to cause significant delay in the proceeding.

The written forms must be filed prior to the first date of trial. However, the International Division may accept an application or a consent filed after the first date of trial if there is substantial need to take the case.

The application may be withdrawn by mutual consent of the parties or the court's discretion. The International Division's permission to take the case may be revoked when the use of foreign language substantially interferes with the court proceeding. The withdrawal and revocation do not have retrospective effect. Therefore, parties do not need to submit translations of documents that are already filed.

How It Works

At the International Divisions, parties may argue their cases or examine witnesses in a permitted foreign language and need not submit translations for their briefs or exhibits written in the foreign language. Simultaneous interpretation, or consecutive interpretation if necessary, will be provided by the court with no cost, so parties need not hire their own interpreters.

This does not mean that all parties must make oral arguments in foreign language. A party may still use Korean, and in such cases, interpretation will be provided into the permitted foreign language. The judges will proceed in Korean, as the language of the court is Korean under Article 62(1) of the Court Organization Act. This will be interpreted into the permitted language as well.

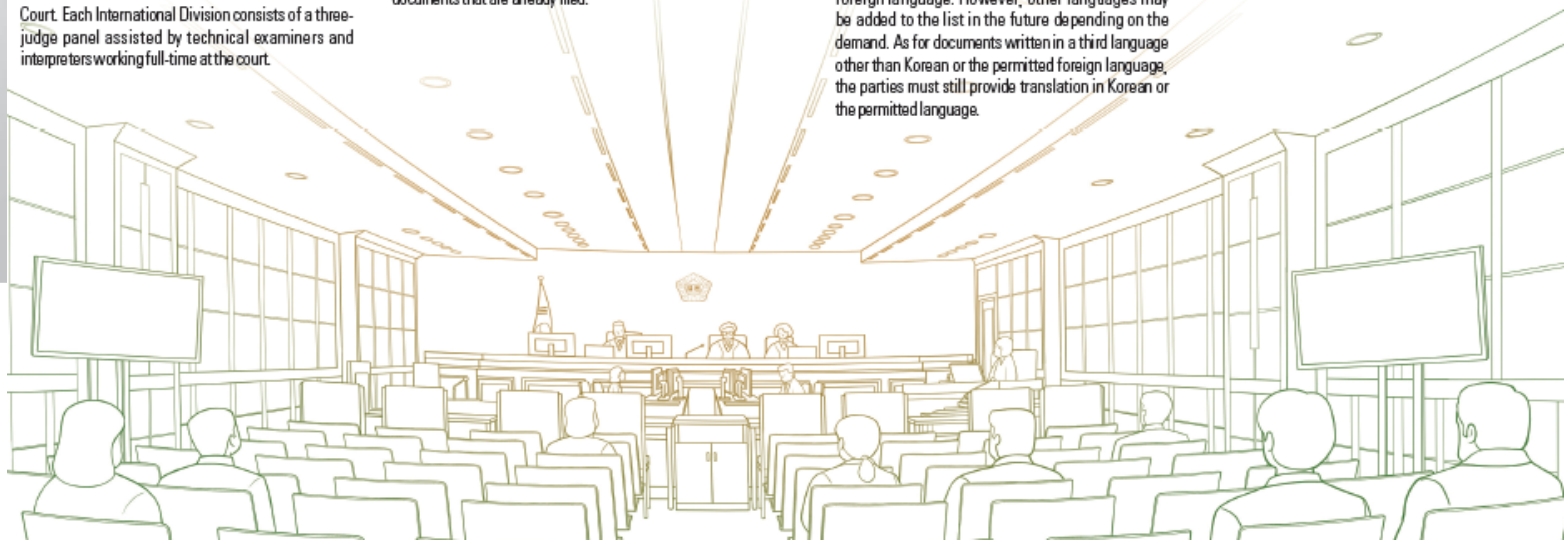
For now, only English is available as the permitted foreign language. However, other languages may be added to the list in the future depending on the demand. As for documents written in a third language other than Korean or the permitted foreign language, the parties must still provide translation in Korean or the permitted language.

Record, Decision, and Appeal

Orders, rulings, and final decisions of the court will be issued in Korean. The court shall provide the translation of the decisions afterwards.

The appeal period and the effective date of a decision are calculated based on the date the decision in Korean was issued. Parties may file appeal in the permitted foreign language without translation.

* Relevant rules, forms, and more information may be found at : http://patent.scourt.go.kr/patent_new/index_e.work.



Treble Damages For Willful Infringement

Background

- Actual damages awarded for patent infringement often have not been high enough to effectively discourage such infringement (Effective as of July 9, 2019).

Article 128, Paragraphs 8 and 9 of the Korean Patent Act

- Courts are authorized to award damages of **up to three times** the amount of actual damages for **intentional** acts of infringement (Article 128, Paragraph 8 of KPA)
- Factors for calculating amount of treble damages (Article 128, Paragraph 9 of KPA)

(i) whether the infringer has a dominant position;
(ii) whether the infringer knew the act of infringement would cause harm to a patent owner, or intended such harm;
(iii) the significance of any such damages;
(iv) the economic benefits to the infringer from the infringement;
(v) how frequently and how long the infringing activity was committed, etc.;
(vi) the amount of fine for the infringing activity;
(vii) the infringer's financial status; and
(viii) what efforts the infringer has made to reduce the harm to the patent owner.

Preparatory Hearing Date - Video Conference for Case Management

Confirmation and Summarization of the Disputed Issues

- **The court and the parties confirm the issues in dispute.**
- **In this case the parties can clarify the disputed issues regarding the difference between the patented invention and the “D method” ☞ “Issues in This Case”**
    1) **Whether all the features of the "car navigation system" are installed in the vehicle**
    2) **Whether the D Server is a “First Memory Means“ as Referred to by the Invention**
    3) **Whether the D Server is Equivalent to both the “First Memory Means" and the “Second Memory Means" as per the Doctrine of Equivalents**

Request for the Expert Witness

Process Regarding Requests for expert witnesses

- **If a party files a request for an expert witness, the party shall attach a basic statement by the expert witness that can confirm the expertise and objectivity of such witness**
- **If an expert witness testifies in a permitted foreign language in the International Trial System, the party does not need to be accompanied by an interpreter**

Acceptance by the Court of the Requests for Expert Witnesses by Each Party

- **The plaintiff and the Defendant each file a request for an expert witness with a basic statement by the expert witness confirming the expertise and objectivity of such witness**
- **After the court accepts, the expert witnesses of both sides will be interrogated in the second scheduled oral argument**

Preparatory Order on Person of Ordinary Skill by Patent Court

Patent Court
The 3rd Division
Order for Preparation of Clarification

Case 2019Gahap1234 Patent Infringement
[Plaintiff: Pony Corporation / Defendant: Donkey Corporation]
Counsel for Plaintiff: KIM & CHANG
Counsel for Defendant: BAE, KIM & LEE, LLC.

For the purpose of clarifying the case, it is ordered to supplement the following matters. Please submit necessary arguments and evidences in relation to the issues below by June 25, 2019.

Matters to be Clarified

The level of ordinary skill possessed by the person of ordinary skill in art at and around time of present invention

June 1, 2019
Presiding Judge Kyuhong Lee (sealed)

* For inquiry: Court officer [redacted], the Third Division, Patent Court
Tel.: (042) *** **** (in case of absence of the court officer: 042 *** ****
Fax: (042) *** **** / E-mail:

Electronic Case Filing / Text Message Service

Electronic Case Filing

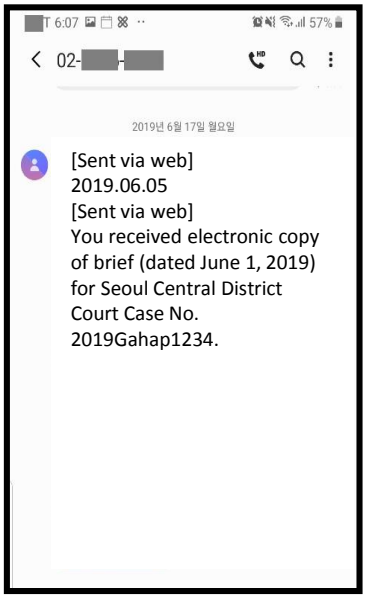
Membership registration → Case filing (Plaintiff) → Response submission (Defendant) → Service → Reading case records

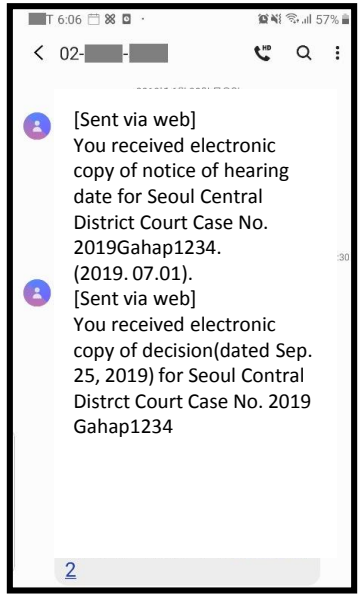
Advantages of Electronic Case Filing

- Allows electronic submission of documents
- Allows the counterparty's briefs and the court's documents related to the trial to be served via electronic mail, etc.
- Allows case records to be read and printed electronically

Text Message Service

- Electronic service of documents
  ➔ Confirmation sent via text message/e-mail





The 1st scheduled oral argument – Technical presentation

Proceeding with the Technical Explanatory Session

The Technical Explanatory Session

- **In cases concerning patents or utility models that require a technical explanation, the Court may hold a technical explanatory session at the request of a party**
- **The parties and technical experts attend the Technical Explanatory Session and orally explain their arguments on the technical elements through drawings, products, miniatures, computer graphics, video equipment, etc.**

The 2nd scheduled oral argument – Expert witness

Testimonies by Expert witnesses of both parties

Testimony on common general knowledge

Expert Witness

Plaintiff side

(Example)

In comparison to the method that the memory storing in ROM or RAM, because the method that the data storing in remote server has no newly effective, both inventions are equaled in substance.

(Example)

The technique constructing the memory server remotely was known as the technical common sense before filing the application of this case.

And, moreover, it was generally known that the navigation system can search the facilities information by the radio net.

Expert Witness

Defendant side

The 3rd scheduled oral argument

Arguments regarding the amount of damages

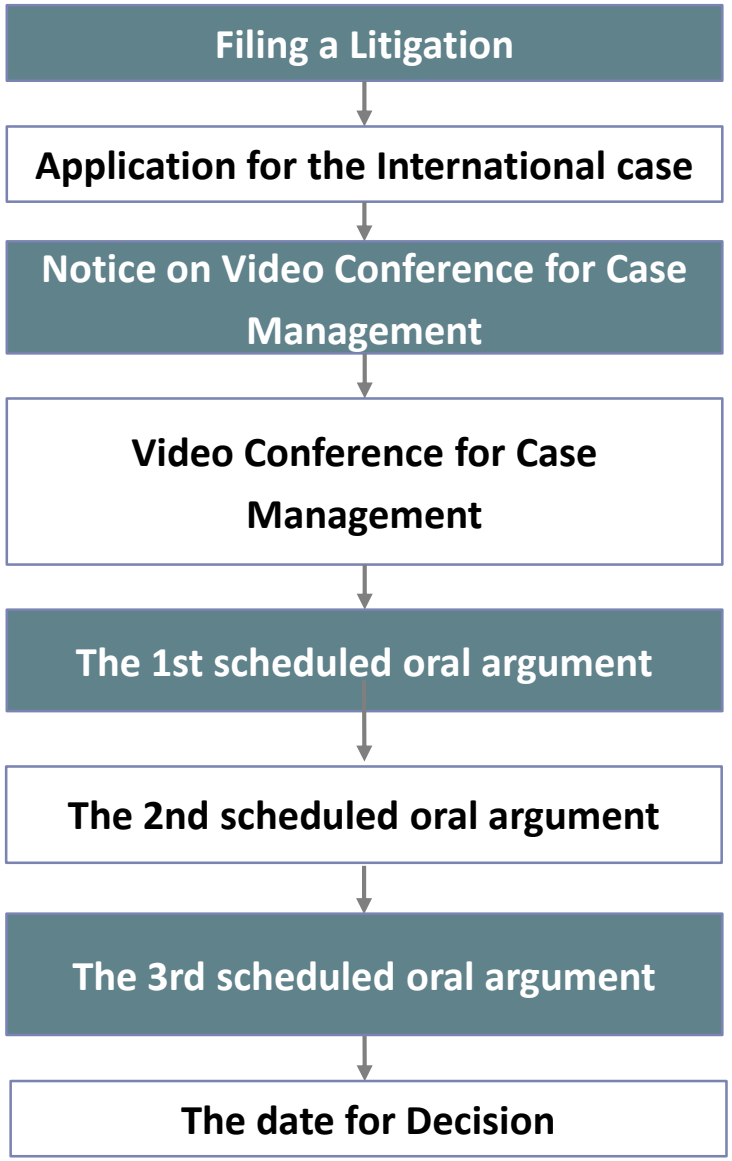
- **A party seeking damages must specify the applicable legal provisions on which the calculation of damages is based upon and indicate the relevant evidence number for each of the requirements of the relevant provisions**
- **Regarding the Plaintiff's factual arguments, the Defendant must provide a detailed rebuttal and cannot simply deny the Plaintiff's arguments (the judicial division may consider any fact not specifically denied as being undisputed)**

Damage calculation methods under the Korean Patent Act (Article 128)

1 **Plaintiff's Lost Profits**	2 **Defendant's Profits from Infringing Act**	3 **Ordinary Royalties**	4 **Decision by Court Discretion**

Damages of up to three times the amount of admitted damages awarded by the court for intentional acts of infringement (Article 128, Paragraph 8)

TIMELINE of the mock trial case



- March 1st, 2019
- Seoul Central District Court
- May 1st, 2019
- Text message service
- Deliberation on International Case application
- Requesting Each party's opinion on who would be the person of ordinary skill in the art
- Technical Explanatory Session by Plaintiff/Defendant
- Examination of expert witnesses of Plaintiff/Defendant
- Plaintiff's argument/substantiation of damages
- Rebuttal by Defendant
- End of the hearing

Mock Trial

JSIP 2019

2019. 9. 25.

Filing of a Litigation

Case Information

- **Seoul Central District Court**
- **Filing date: 2019. 3. 1.**
- **Case No.: 2019Gahap1234**

Parties and the patent

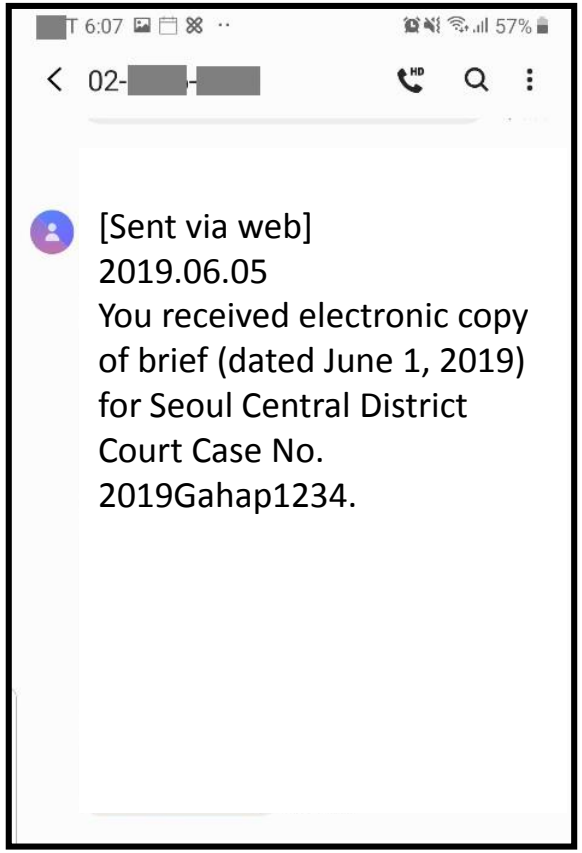
- **Plaintiff: Pony Corporation (Counsel: Sang-Wook HAN of KIM & CHANG)**
- **Defendant: Donkey Corporation (Counsel: Hoodong LEE of BAE, KIM & LEE, LLC.)**
- **Patent of the case: patent No. 20190925**

Application for the International Case

Plaintiff submits an application for the "International Case" on May 1st, 2019

Notice on Video Conference for Case Management

Text Message Service



Video Conference for Case Management

- **Deliberation on International Case Application**
- **Clarification of technical level of ordinary skill by the person of ordinary skill in the art**
- **Opinions of the persons to participate in the scheduled oral argument proceedings**

1st Scheduled Oral Argument

Technical Presentation by the Plaintiff

Technical Presentation by the Defendant

2019Gahap1234
Patent Infringement

Technical Presentation

July 1, 2019

Plaintiff: Pony Corporation

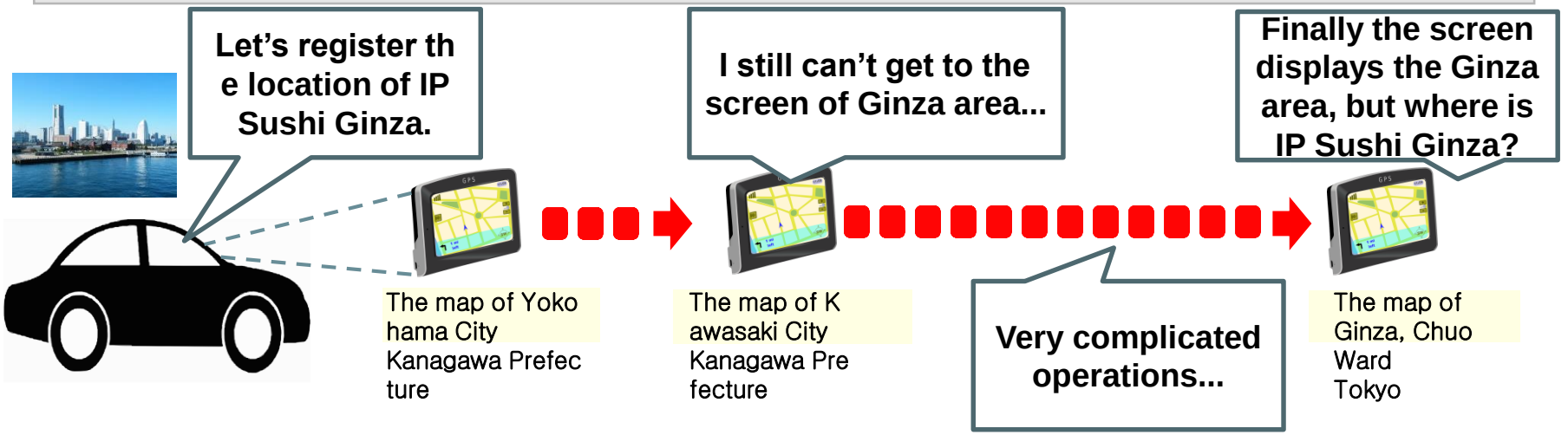
Contents

1. Subject Patent

Technical Significance of the Subject Patent

Conventional Art

the user needs to display a position to be registered on the map, therefore the user needs to accurately know a location of the position previously, and complicated operations are needed for displaying the location on the screen. (para [0003], [0004])



Objective of the invention (Problem to be solved)

To provide a car navigation system control method which allows the user to register a user registration without performing complicated operations for displaying service facilities on the map(para [0005]).

The RAM 9 is backed up by being supplied with a voltage even when the power source of the navigation system is shut out so that the data … will not be extinguished..(para [0009]).

Claim 1 of the Subject Patent

Control method for car navigation system that displays a map on a display screen, the method comprising steps of: (Element A)

reading, from first memory means in which facility data comprising display data indicative of a plurality of service facilities and coordinate data indicative of existing positions of the service facilities have previously been stored, the display data to display the plurality of service facilities on the display screen; (Element B)

designating one of the plurality of service facilities displayed on the display screen in accordance with an operation; (Element C)

reading coordinate data corresponding to the designated one service facility from the first memory means; (Element D)

storing the read coordinate data as user registered data in second memory means; and (Element E)

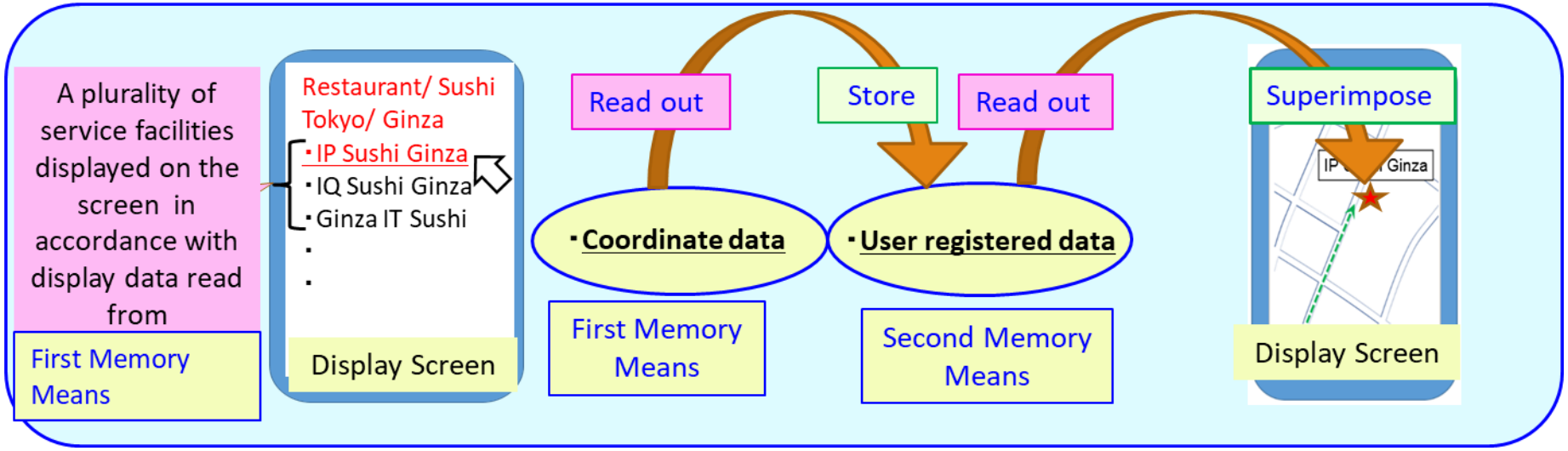
displaying a position indicated by the coordinate data read from the second memory means by superimposing a predetermined pattern on to the map when the map is displayed on the display screen. (Element F)

Claim 1 of the Subject Patent

1) Among a plurality of service facilities displayed on the display screen in accordanc e with display data read out from the first memory means , reading coordinate data from the first memory means corresponding to one service facility designated by the user （ Elements B, C and D ） ,

2) Storing the read coordinate date as user registered data in the second memory means（ Element E ） ,

3) As the map is displayed on the display screen, reading the coordinate data from the second memory means , and superimposing a predetermined pattern(★) on to the map to display a position indicated by the coordinate data （ Element F ）



Mode of operation and technical effect of Claim 1

Mode of Operation of the Invention

"the display data indicative of a plurality of service facilities and the position coordinate data indicative of the existing positions of the service facilities are previously stored in the first memory means. By designating one of the plurality of service facilities … by the operation, the coordinate data corresponding to the designated one service facility is read out from the first memory means and the user position is registered into the second memory means. … the coordinate data which is stored as user registered data is read out and the position indicated on the map by the coordinate data is superimposed onto the map by a predetermined pattern and can be displayed on the screen." (para [0007])

Effect of the Invention

"…by merely designating one of the plurality of service facilities displayed … in accordance with an operator input, the coordinate data corresponding to the designated one service facility is read out from the first memory means and stored in the second memory means as user registered data. Each user, therefore, **can register the user position by a simple operation**, even if each user does not know accurate locations of service facilities…" (para [0020])

"The RAM 9 is **backed up by being supplied with a voltage even when the power source of the navigation system is shut out** so that the data … will not be extinguished.." (para [0009])

2. Defendant’s method (D method)

Description of Defendant's Method (D method) (1/3)

Example: a procedure of searching for a sushi restaurant located in Ginza

[i] Select the "Search for Destination" on the top menu of "DK Car Navigation" displayed on the screen of D terminal (Screen 1).

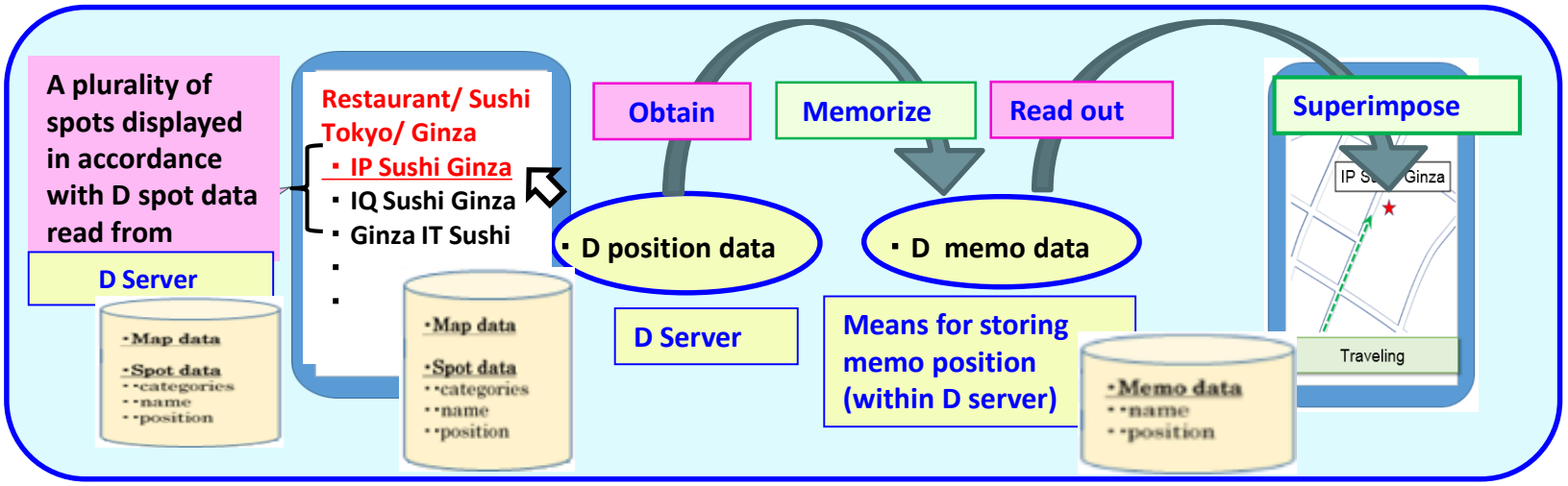
[ii] Select "Category" tag on the destination search screen and select "Restaurant" on the category selection screen (Screen 2).

[iii] Select "Sushi" on the category selection screen under "Restaurant" (Screen 3).

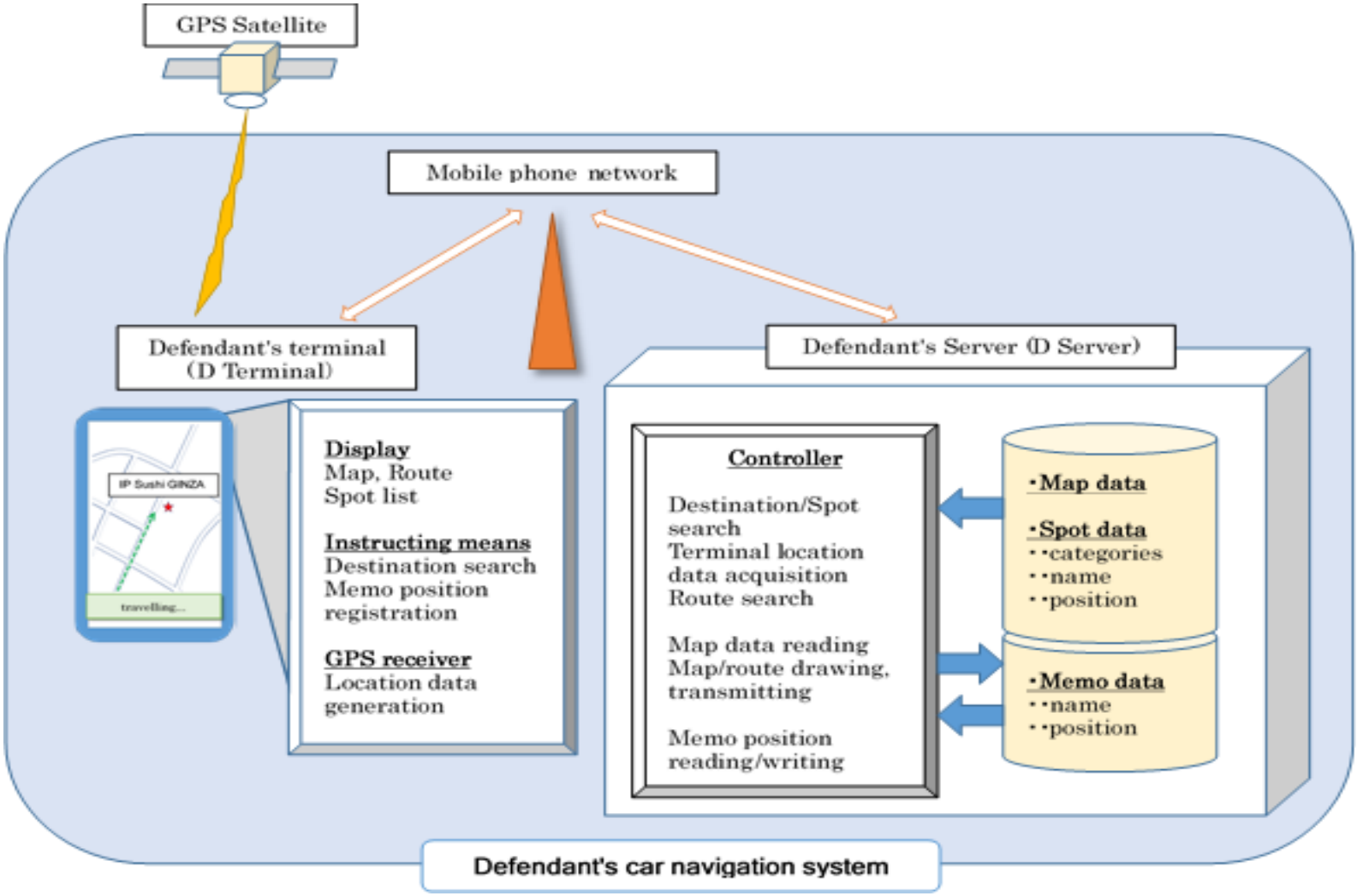
[iv] When "Tokyo" is selected on the local area selection screen, area names (Ginza, Roppongi, Shibuya, etc.) within Tokyo are displayed on the screen of D terminal (Screen 4).

[v] When "Ginza" is selected among them, a list of Sushi restaurant names ("IP Sushi Ginza", "IQ Sushi Ginza", "Ginza IT Sushi") is displayed on the screen of D terminal (Screen 5).

[vi] To display spot information, select "IP Sushi Ginza" among the several spots in the displayed list by operating D terminal (Screen 6).



Description of Defendant's Method (D method) (2/3)



Description of Defendant's Method (D method) (3/3)

D method has the following features:

A control method for car navigation system that displays a map on a screen of D term inal, which includes:

holding D spot data including D name data indicative of a plurality of spots and D position data indicative of existing positions of the spots in D server of the car navigation system in order to display the plurality of spots corresponding to the D name data on the screen;

receiving and instruction to register one of the plurality of spots displayed on the screen as a "memo position";

obtaining D position data corresponding to the designated spot from D server to be registered according to the instruction in order to store the D position data as D memo data; and

superimposing an icon on the map indicated by the D position data of D memo data read from D server when the map is displayed on the screen.

3. Infringement

Comparison between Claim 1 of the Invention and D method

	Claim 1	D method
A	Control method for car navigation system that displays a map on a display screen, the method comprising steps of:	A control method for car navigation system that displays a map on a screen of D terminal, which includes:
B	reading, **from first memory means** in which facility data comprising display data indicative of a plurality of service facilities and coordinate data indicative of existing positions of the service facilities have previously been stored, the display data to display the plurality of service facilities on the display screen;	holding D spot data including D name data indicative of a plurality of spots and D position data indicative of existing positions of the spots in **D server** of the car navigation system in order to display the plurality of spots corresponding to the D name data on the screen;
C	designating one of the plurality of service facilities displayed on the display screen in accordance with an operation;	receiving and instruction to register one of the plurality of spots displayed on the screen as a "memo position";
D	reading coordinate data corresponding to the designated one service facility **from the first memory means**;	obtaining D position data corresponding to the designated spot **from D server** to be registered according to the instruction in order to store the D position data as D memo data; and
E	storing the read coordinate data as user registered data **in second memory means**;	
F	displaying a position indicated by the coordinate data read from the second memory means by superimposing a predetermined pattern on to the map when the map is displayed on the display screen	superimposing an icon on the map indicated by the D position data of D memo data read from D server when the map is displayed on the screen.

Comparison of constitution (1/2)

- **Element A**

Element A and the corresponding feature of D method are identical in that they both are a control method for car navigation system that displays a map on a display screen.

- **Element B**

Element B and the corresponding feature of D method are identical in that facility data (D spot data) comprising display data (D name data) and coordinate data (D position data) are stored in the car navigation system, and a plurality of service facilities are displayed on the display screen in accordance with the display data (D name data).

- **Element C**

Element C and the corresponding feature of D method are identical in that one of the plurality of service facilities displayed on the display screen is designated in accordance with the user's instruction.

Comparison of constitution (2/2)

- **Elements D, E**

Elements D and E and the corresponding features of D method are identical in that coordinate data (D position data) corresponding to the service facility designated by the user are read and stored as user registered data (D memo data).

Elements D and E specify that the coordinate data are read from the first memory means and the user registered data are stored in the second memory means. Given that the Specification illustrates the first and second memory means to be different memories, Elements D and E differ from the feature of D method that all data are stored in D server without a distinction between first and second memory means.

- **Element F**

Element F and the corresponding feature of D method are identical in that a position indicated by the coordinate data (D position data) is displayed by superimposing a predetermined pattern (icon) on the map when the map is displayed on the screen.

Commonalities and differences in constitution

- **Elements A~C, and F**

Elements A~C, and F are all identical to the corresponding features of D method.

- **Elements D, E**

Elements D, E specify that the coordinate data are read from the first memory means and the user registered data are stored in the second memory means. And the Specification gives separate examples for the first memory and the second memory. In contrast, D method differs in that all data are stored in D server without a distinction between first and second memory means.

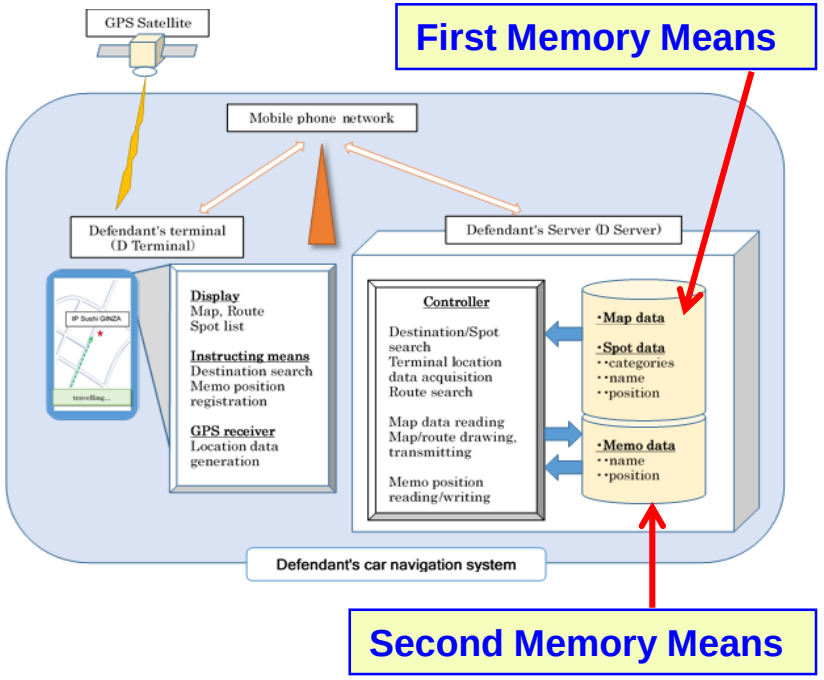
‘First, second memory means’ in Claim 1 are substantially identical to ‘D server’ in D method

Q1) Should the first and second memory means in Claim 1 be construed to be limited to such types as RAM, ROM, and CD-ROM, which are described in the Specification?

A1) That is not the case. The memory types recited in the Specification are only some of various embodiments, and the memory means are not necessarily limited to those types. A method wherein the memory means are located in D server and accessed through a remote connection as in D method also falls within the scope of Claim 1.

Q2) Should the first memory means and the second memory means be different types of storage media?

A2) That is not the case. As illustrated in the Specification, while first memory and second memory means can be differentiated at the hardware level, a person skilled in the art can also consider storing data in logically divided sections in the same memory hardware. It is also possible in D method to have first memory means and second memory means in D server.



➔ **D method substantially comprises first and second memory means.**
It constitutes literal infringement as all elements of Claim 1 are identical to the corresponding features of D method.

If not identical, ‘first, second memory means’ and ‘D server’ are equivalents (1/5)

- **Standard for equivalents**

(*See* the Supreme Court's Decision in Case No. 2007 Hu 3806, announced June 25, 2009)

Requirements for Doctrine of Equivalents:

①: The problem-solving principle is the same as that of the patented invention (Same Problem-solving Principle)

②: The replacement results in virtually the same effect as the patented invention (Possibility of Replacement)

③: The replacement could have been easily conceived of by a skilled person in the art (Ease of Replacement)

④: The alleged product had not been well known in the art or could not have been easily conceived by a person of ordinary skill in the art at the time the patented invention was filed (Exclusion of Prior Art)

⑤: The replacement element included in the alleged product does not correspond to an element that has been intentionally excluded from the claims of the patent during the prosecution of the patent (File Wrapper Estoppel)

If not identical, 'first, second memory means' and 'D server' are equivalents (2/5)

- **Same Problem-solving Principle (Requirement ①)**

"Determining whether the problem-solving principle applied in the two inventions is the same as each other should involve analyzing the technical essence underlying the specific problem-solving means of the patented invention in practical terms when comparing with prior art with reference to the descriptions in the specification of the patented invention and well-known technology available at the time the patented invention was filed, rather than selecting part of the elements included in the claims merely as a matter of formality." (*see* the Supreme Court's Decision in Case No. 2012 Hu 1132, announced July 24, 2014)

Requirement ①: Compared with the prior art (Cited Invention 1, which is directed to a portable navigation apparatus for pedestrians) in light of descriptions in the Specification (para [0009]) and publicly known technology, the core of the technical idea behind the unique solution of the Subject Patent is the implementation of a power backup system to keep the navigation system running even when the power source of the system itself is shut off. In D method, D terminal has a power backup system as it is installed inside a vehicle, and D server storing data also has a power backup system.

As such, Claim1 and D method share the same problem-solving principle.

If not identical, ‘first, second memory means’ and ‘D server’ are equivalents (3/5)

- **Possibility of Replacement (Requirement ②)**

“Whether two inventions have virtually the same effect should be determined with a focus on whether the problem with prior art, which is resolved by the patented invention, is also resolved by the accused product or the like. Thus, if the technical essence underlying the characteristic problem-solving means of the patented invention as understood with reference to the descriptions in the specification of the patent and the technology well known at the time the patent was filed is also implemented in the accused product or the like, the two inventions should be found to have virtually the same effect as each other.” well (see the Supreme Court's Decision in Case No. 2018 Da 267252, announced January 31, 2019).

Requirement ②: Claim 1 has the effect of keep the power supplied to the navigation system without shutting off by implementing a power backup system. The navigation system in D method also achieves the same effect.

As such, replacing first and second memory means with D server still achieves substantially the same effect.

If not identical, 'first, second memory means' and 'D server' are equivalents (4/5)

- **Ease of Replacement (Requirement ③)**

Requirement ③: Although the embodiments in the Specification do not illustrate a method wherein data are stored in a server, a person skilled in the art would have had no particular difficulty in incorporating a server as the first and second memory means, which are components of a car navigation system. Specifically, as of 2013 when D method was first worked, it would not have been particularly difficult to store data in a server and use the data using wireless communication because wireless communication technology had made a significant progress. That is, a person of ordinary skill in the relevant technical field could have easily conceived using a server in place of a memory.

As such, a person skilled in the art could have easily conceived replacing first and second memory means with D server.

If not identical, 'first, second memory means' and 'D server' are equivalents (5/5)

- **Exclusion of Prior Art/File Wrapper Estoppel (Requirement ④, ⑤)**

Requirement ④: Defendant's D method cannot be deemed to have been a publicly known technology or a technology that a person skilled in the art could have easily conceived as of 2002 when the Subject Patent was filed (No supporting evidence).

Requirement ⑤: It cannot be deemed that the feature of using a server as in D method was intentionally excluded during the prosecution of the Subject Patent. In response to the Examiner's rejection during prosecution, Plaintiff argued in the written opinion to the effect that unlike Cited Invention 1 directed to a portable navigation apparatus for pedestrians, the claimed memory can be supplied with power from a separate source even when the power source of the navigation system is shut down. However, this cannot be regarded as an argument limiting the location where some elements of the navigation system are installed.

As such, Defendant's D method cannot be deemed to have been a publicly known technology or intentionally excluded from the scope of the claims during the prosecution of the Subject Patent.

➔ **Requirements ① to ⑤ for equivalents are all fulfilled. Since first, second memory means in Claim 1 and D server in D method are equivalents, infringement is also established under the doctrine of equivalents.**

4. Conclusion

Conclusion

- Defendant's D method falls within the scope of Claim 1.

  - Defendant's D method constitutes literal infringement as its constitution is substantially identical to that of Claim 1 .

  - Even if there is no literal infringement, Defendant's D method constitutes infringement under the doctrine of equivalents as its constitution is equivalent to that of Claim 1.

- Defendant's working of D method infringes Plaintiff's Patent Right.

2019Gahap1234
Patent Infringement

Technical Presentation

July 1, 2019.

Defendant: Donkey Corporation

Contents

1. Technical features of the patent at issue in this case

1. Technical features of the patent at issue in this case

Mode of Operation of the Invention

para [0007]: "the display data indicative of a plurality of service facilities and the position coordinate data indicative of the existing positions of the service facilities are previously stored in the first memory means. By designating one of the plurality of service facilities … by the operation, the coordinate data corresponding to the designated one service facility is read out from the first memory means and the user position is registered into the second memory means. … the coordinate data which is stored as user registered data is read out and the position indicated on the map by the coordinate data is superimposed onto the map by a predetermined pattern and can be displayed on the screen."

Effect of the Invention

para [0020]: "…by merely designating one of the plurality of service facilities displayed … in accordance with an operator input, the coordinate data corresponding to the designated one service facility is read out from the first memory means and stored in the second memory means as user registered data. Each user, therefore, can register the user position by a simple operation, even if each user does not know accurate locations of service facilities…"

para [0015]: "… By storing longitude and latitude data and position display pattern data as facility data in a CD-ROM, which is an inexpensive memory medium, and storing user registering data in rewritable RAM, improved convenience and cost reduction can be both achieved."

➡ The technical feature tries to achieve cost reduction and improved convenience by registering the user's position by a simple operation and storing facility data in the comparatively lower priced first memory means while storing user registered data in the comparatively more expensive second memory means.

2. Comparison between the Claim 1 and D Method

2. Comparison between the Claim 1 and D Method

	Claim 1	D Method
A	Control method for **car navigation system** that displays a map on a display screen, the method comprising steps of:	A control method for car navigation system comprising a server and a terminal that displays a map on a screen of D terminal, which includes:
B	reading, **from first memory means** in which facility data comprising display data indicative of a plurality of service facilities and coordinate data indicative of existing positions of the service facilities have previously been stored, the display data to display the plurality of service facilities on the display screen;	holding D spot data including D name data indicative of a plurality of spots and D position data indicative of existing positions of the spots in **D server** of the car navigation system in order to display the plurality of spots corresponding to the D name data on the screen;
C	designating one of the plurality of service facilities displayed on the display screen in accordance with an operation;	receiving and instruction to register one of the plurality of spots displayed on the screen as a "memo position";
D	reading coordinate data corresponding to the designated one service facility **from the first memory means**;	obtaining D position data corresponding to the designated spot **from D server** to be registered according to the instruction in order to store the D position data as D memo data; and
E	storing the read coordinate data as user registered data **in second memory means**;	
F	displaying a position indicated by the coordinate data read from the second memory means by superimposing a predetermined pattern on to the map when the map is displayed on the display screen	superimposing an icon on the map indicated by the D position data of D memo data read from D server when the map is displayed on the screen.

2. Comparison between the Claim 1 and D Method

Claim elements A through C

- While claim element A is the same for claim 1 and D Method in that they are both control methods for car navigation system that displays a map on a display screen, claim 1 requires that all elements of the car navigation system needs to be installed in the car and D Method has D terminal installed in the car but D server is not.
- Claim elements B and C are the same

Claim elements D, E

- They both read the coordinate data and store them in user registered data or D memo data. However, claim 1 stores the facility data in the first memory means and user registered data in the second memory means, but D Method does not differentiate between D spot data and D memo data when storing both data in the D server.

Claim element F

- They both displaying a position indicated by the coordinate data or position data by superimposing a predetermined pattern or an icon on to the map when the map is displayed on the display screen, but claim 1 requires that the coordinate data be read from the second memory means while D Method reads the data from the D server.

3. Whether D Method infringes the patent at issue

3-1. Literal Infringement

Claim 1 requires that all elements of the "car navigation system" be installed within the vehicle. (Claim element A)

- Principle of Prosecution History Reference states one needs to consider the applicant's statements made during the prosecution in order to construe the claim terms, and this is applied the same even when there was a statement of opinion by submitting a Written Opinion without any reduction of the scope of claim (Sup. Court Decision 2014Hu638)
- It is true that in the specification or the claims, the patented invention is not limited to a system where all the features are installed inside the vehicle. However, on its Written Opinion submitted during the prosecution, Plaintiff specifically stated "*By providing this second memory means using RAM that is backed up by being supplied with power from a battery even when the power source of the system is shut down so as not to extinguish the data such as a user registration flag(specification, [0009]), user registration data can be continuously stored and held even when the power source is turned off, thus exhibiting an effect of improving convenience for users. Such an effect can be obtained only because the system according to the invention of the application is installed in the vehicle and constant power supply from a vehicle battery with a large capacity to RAM is possible.*"
- The aforesaid Written Opinion is filed by Plaintiff in response to the notice of reasons for rejection by the examiner. Therefore, it should be regarded that Plaintiff tried to claim around the prior art and purposely disclaimed a car navigation system with a part of the elements being installed outside of the vehicle.

3-1. Literal Infringement

Claim 1 requires that all elements of the "car navigation system" be installed within the vehicle. (Claim element A)

- As seen above, the car navigation system according to the Patent at Issue should be restrictively construed to only include the system that has all the features are installed inside the vehicle.
- However, unlike the patented invention at issue, D method uses a car navigation system that is markedly different from the patented invention and is comprised of components that include 1) D terminal, which is found inside the vehicle, and 2) Remote D server outside the vehicle, on which is stored facility data (D spot data) and user registered data (D memo data) without any distinction as to the first memory means or second memory means.

3-1. Literal Infringement

'First, second memory means' in Claim 1 are not substantially identical to 'D server' in D method(Claim elements D and E)

- Excerpts from the specification

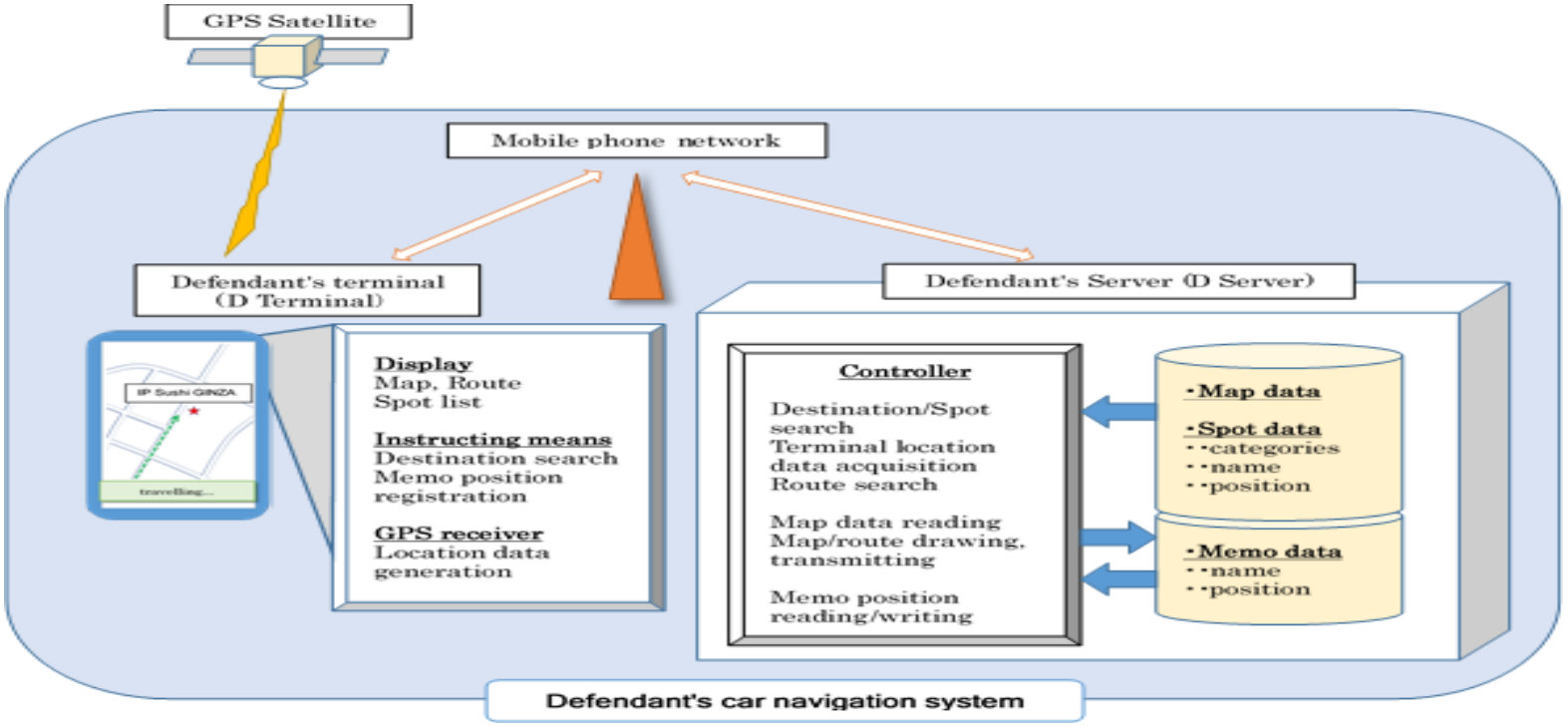
Para [0009](embodiment): "… A user registration data table in which longitude and latitude data and position display pattern data are stored as a pair for every address is formed in the RAM 9 as shown in FIG.2.
Para [0010]: "For instance, a CD-ROM is used as an external memory medium. In addition to the map data obtained by converting each point on the roads of the map into digital values, service list display data,….. Which will be explained below, have also previously been stored in the CD-ROM."
para [0015]: "… By storing longitude and latitude data and position display pattern data as facility data in a CD-ROM, which is an inexpensive memory medium, and storing user registering data in rewritable RAM, improved convenience and cost reduction can be both achieved."

- In the patented invention, the "first memory means" and "second memory means" are clearly distinguished, and the specification thereof also indicates to the effect that the first memory means store facility data using low-cost media such as CD-ROM, while the second memory means store user registered data with relatively higher-cost RAM to improve performance.

3-1. Literal Infringement

‘First, second memory means’ in Claim 1 are not substantially identical to ‘D server’ in D method(Claim elements D and E)

- **However, through D method, spot data and memo data are not separately stored but instead stored in D server, and therefore, it is difficult to expect lower cost and greater convenience that can be enabled by Claim 1 of the patented invention, and also D method is irrelevant to such technology.**



3-2. Doctrine of Equivalents

the D Server is not Equivalent to both the “First Memory Means" and the “Second Memory Means" as per the Doctrine of Equivalents

- As stated above, the “first memory means” and “second memory means” in Claim 1 of the patented invention are limitedly interpreted to use memory storages with separated functions for cost reduction and the improvement of system performance. This suggests that the core of the technical idea, which is the basis of solutions specific to the patented invention, is to separate memories to store facility data and user registered data to comprise system at a low cost and improve convenience in usage.
- However, through D method, spot data and memo data are not separately stored but instead stored in D server, and therefore, it is difficult to expect lower cost and greater convenience that can be enabled by Claim 1 of the patented invention, and also D method is irrelevant to such technology.
- Therefore, it is difficult to deem that both inventions’ principle to solve a problem is identical, because of the differences identified in the core of the technical ideas.
- In sum, it does not seem that the compositions of Claim 1 of the patented invention (data is stored and read in the first memory means and second memory means) and that of D method (data is stored and read in D server) are equivalent.

4. Conclusion

4. Conclusion

- **Claim 1 of the patent at issue requires that all elements of the car navigation system be installed in the vehicle, however, Defendant's D Method has a D server provided outside of the vehicle, and claim 1 requires that the first and second memory means be differentiated in terms of their hardware in order to achieve cost reduction and convenience, but Defendant's D Method utilizes D server which does not differentiate in terms of hardware, therefore, D Method does not literally infringe Claim 1 of the patent at issue.**
- **Plaintiff asserts that Claim 1 of the patent at issue is infringed under doctrine of equivalents but Claim 1's first and second memory means and D Method's D server do not share the same principle for solving the problems, therefore D Method does not infringe Claim 1 under doctrine of equivalents either.**

Plaintiff's claims should all be denied.

2nd Scheduled Oral Argument

Examination of Plaintiff's Expert Witnesses

Examination of Defendant's Expert Witnesses

2019Gahap1234
Patent Infringement

Expert Witness Examination

August 1, 2019

Plaintiff: Pony Corporation

About the Expert witness

About the Expert witness

1. Please tell us about your education and professional career, the topic for your thesis, and your main research area.

About the technical field of the Invention

About the technical field of the Inventions

1. Could you tell us briefly about the overall gist of the Invention and the features of Claim 1?

2. When considering the level of car navigation technology publicly known as of the filing date of the Invention (September 25, 2002) in light of the descriptions of the prior art in the specification of the Patent (paragraphs [0003] to [0005], [0009]) as well as the prior art references cited during the prosecution of the Patent, what do you think is the distinctive feature of Claim 1 compared to the publicly known technology?

About the technical field of the Inventions

3. What are the technical differences between ROM, RAM, and CD-ROM, the storage media described in the specification of the Invention?

4. As of the filing date of the Invention (September 25, 2002), what types of memory could a person skilled in the art envisage as 'first and second memory means' of Claim 1? Can we say that the first and the second memory means necessarily refer to different types of memory in terms of hardware?

About Defendant’s method

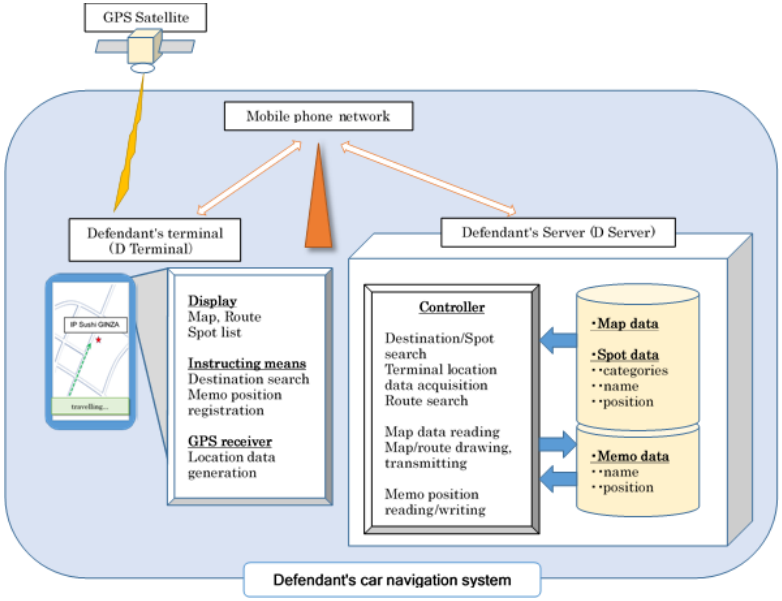
About Defendant’s method

1. Could you tell us briefly about the characteristics of Defendant's service you have noted?

2. What is the technical feature of Defendant's service in comparison with the Invention you have understood?

About Defendant's method

3. (Regarding the picture below) it is shown that in Defendant's service, D server stores both spot data (name data, position data) and memo data. Can it be deemed that these data are stored without any distinction?



4. At the time Defendant's service was first offered (September 25, 2013), was the technology by which an electronic device receives and uses data stored in a remote server in general use? Was such technology also in use at the time the Invention was filed?

About the comparison of constitution between the Invention and Defendant's method

About the comparison of constitution between the Invention and Defendant's method

1. Summarizing what you have told us, what do you think is the biggest difference between the Invention and Defendant's service?

2. (Associated with Question No. 1) Can the difference be deemed relevant to the distinguishing feature of the Invention in comparison with the prior art?

3. (Associated with Question No. 2) From the perspective of a person skilled in the art, would it have been difficult at the time Defendant's service was first offered (September 25, 2013) to conceive a system where data is stored in a server instead of internal/external memory of an electronic device in view of the Invention?

2019Gahap1234
Patent Infringement

Expert Witness Examination

August 1, 2019.

Defendant: Donkey Corporation

About the Expert witness

About the Expert witness

1. Please tell us about your education and professional career, the topic for your thesis, and your main research area.

About the technical field at the time of application of the patent at issue

About the technical field at the time of application of the patent at issue

1. The specification of the patent at issue describes one embodiment using CD-ROM for first memory means and RAM for second memory means. What were the pros and cons of using CD-ROM and RAM at the time of the application of the patent at issue around September of 2002?

2. How were the car navigation systems' memory capacity during the time around the application date of the patent at issue?

About the technical field at the time of application of the patent at issue

3. Do you remember what the RAMs capacity and price around the application date of the patent at issue?

4. If so, if a car navigation system had around 3 GB in RAM composed of 512MB DDR RAMs for the first memory means, it would have cost about 60,000 yen, correct?

Technical features of the invention at issue

Technical features of the invention at issue

1. Have you reviewed the patent at issue?

2. Could you briefly explain what you believe is the main technical feature of the invention at issue?

About the comparison between the Invention and Defendant’s method

About the comparison between the Invention and Defendant's method

1. Have you reviewed the D Method?

2. What do you think is the main technical difference between the invention of the patent at issue and the D Method?

3rd Scheduled Oral Argument (1)

Plaintiff's Argument/Substantiation of Damages

Defendant's Rebuttal to Plaintiff's Argument for Damage

2019Gahap1234
Patent Infringement

Damages Calculation

September 1, 2019

Plaintiff: Pony Corporation

Contents

1. Calculation of Damages and Treble Damages

Calculation of Damages

Pursuant to Article 128 of the Korean Patent Act, amount of damages may be calculated via following methods.

1. **Plaintiff's Lost Profits**
2. **Defendant's Profits from Infringing Act**
3. **Ordinary Royalties**
4. **Decision by Court Discretion**

Treble Damages

Background

- **Actual damages awarded for patent infringement often have not been high enough to effectively discourage such infringement.**

Article 128, Paragraphs 8 and 9 of the Korean Patent Act

- Courts are authorized to award damages of **up to three times** the amount of actual damages for **intentional** acts of infringement (Article 128, Paragraph 8 of KPA)
- Factors for calculating amount of treble damages (Article 128, Paragraph 9 of KPA)

(i) whether the infringer has a dominant position;
(ii) whether the infringer knew the act of infringement would cause harm to a patent owner, or intended such harm;
(iii) the significance of any such damages;
(iv) the economic benefits to the infringer from the infringement;
(v) how frequently and how long the infringing activity was committed, etc.;
(vi) the amount of fine for the infringing activity;
(vii) the infringer's financial status; and
(viii) what efforts the infringer has made to reduce the harm to the patent owner.

Effective Date of Treble Damages Provision

Treble Damages Provision applicable beginning on July 9, 2019, the date Amendments to the Korean Patent Act became effective.

- **Addendum**

Article 3 (Applicability of Claim for Damages): The amended provisions of Article 128 Paragraphs 8 and 9 shall apply beginning with the first act of violation committed after this Act enters into force.

Pursuant to Article 3 of the Addenda, Treble Damages is applicable to patent infringements which occur after July 9, 2019, the date Amendments to the Korean Patent Act went into effect.

2. Calculation of Damages to Plaintiff

Calculation of Amount of Damages via 'Defendant's profit from infringing act' Method

Plaintiff's Loss = (Defendant's Total Amount of Sales resulting from Defendant's infringing acts) * (Marginal Profit Rate) * (Contribution Rate)

Based on the materials submitted at the Order to Submit Materials, the calculation of total sales amount and marginal profit rate for Defendant's vehicles which adopted the D Method is as follows:

- Sales price of one vehicle utilizing the D Method: **KRW 50 million**
- Number of vehicles sold which adopted the D method: **1 million in total**
  - Prior to treble damages taking effect (Sept. 25, 2013 ~ July 8, 2019): **0.9 million**
  - After treble damages went into effect (July 9, 2019 to present): **0.1 million**

•Total Sales Amount

- Prior to treble damages taking effect (Sept. 25, 2013 ~ July 8, 2019):
  KRW 50 million x 0.9 million vehicles sold = **KRW 45 trillion**
- After treble damages went into effect (July 9, 2019 ~ present):
  KRW 50 million x 0.1 million vehicles sold = **KRW 5 trillion**

•Marginal Profit Rate: 25%

Contribution Rate

For automobiles, if the utility (role) and the price of a navigation is considered, the contribution rate of Plaintiff's navigation product for vehicles must be recognized to be 5%.

Contribution Rate = Comprehensive assessment of integrality, importance, price ratio, quantitative ratio of parts infringed upon

Supreme Court Decision 2002 Da 18244 rendered June 11, 2004

"In cases where infringement of copyright involves a part or parts of a product, the entire profit gained from producing or selling that product cannot be deemed profit gained from the infringing act. For the entire profit gained by the infringing party from producing or selling the product, the contribution rate (degree of contribution) of the part(s) involved in the infringement of the subject copyright has to be determined, and based on that contribution rate, derive the amount of profit gained from the infringing act. In assessing such contribution rate, the integrality, importance, price ratio, and quantitative ratio, etc. of the infringement-related parts of the product have to be comprehensively considered."

- **Contribution Rate: 5%**

Applicability of Treble Damages to Defendant's Act of Infringement

- Intentional act or recognition of potential damages by the Defendant: Infringement continued despite the warnings from the Plaintiff
- Damages suffered by the Plaintiff due to Defendant's act of infringement: Reduction in the number of Plaintiff's vehicles sold
- Profit gained by the Defendant from its act of infringement: Profit generated from selling 1 million vehicles
- Duration/frequency of infringement: As much as 1 million vehicles produced/sold over a period of approximately 6 years
- Defendant's financial status: Defendant qualifies as a major company
- Level of Defendant's effort towards relief: Defendant did not cease its infringing act nor tried to settle with the Plaintiff, but simply continues to deny its act of infringement.

➔ **Thus, since Defendant's act of infringement on Plaintiff's patent rights can be deemed intentional act of infringement, treble damages must be applied to infringements which took place after July 9, 2019.**

Amount of damages suffered by the plaintiff (Treble damages applied)

- Plaintiff's Loss 1 (prior to treble damages taking effect)

  = Defendant's Total Sales Amount (900,000 x KRW 50,000,000)
  x Marginal Profit Rate (25%) x Contribution Rate (5%)

  = KRW 562.5 billion

- Plaintiff's Loss 2 (after treble damages went into effect)

  = Defendant's Total Sales Amount (100,000 x KRW 50,000,000)
  x Marginal Profit Rate (25%) x Contribution Rate (5%)

  = KRW 62.5 billion

- **Plaintiff's final amount of damages = Loss 1 + (Loss 2 x 3)**

  = KRW 562.5 billion + KRW 187.5 billion = KRW 750 billion

3. Conclusion

Conclusion

- The amount of profit gained by the Defendant from its infringing act may be assumed as the amount of loss suffered by the Plaintiff.
- Since Defendant's act of infringement qualifies as an intentional act of infringement, the treble damages provision must be applied.
- When treble damages is applied, the amount of profit unlawfully gained by the Defendant from selling its automobiles which adopted the D Method, in total, is KRW 750 billion.
- Defendant must indemnify the Plaintiff with the payment in the amount of KRW 750 billion.

3rd Scheduled Oral Argument (2)

End of the Hearing

Date of the Decision

Decision

DECISION

- Patent court of Korea (International Division)

2019. 9. 25.
Presiding Judge
Kyuhong LEE

DECISION OF PKID

Case No.: 2019GAHAP1234 Injunction against infringement(Patent)

Plaintiff: Pony Corporation

Counsels for the Plaintiff Sang-Wook HAN of KIM & CHANG

Defendant: Donkey Corporation

Counsels for the Defendant Hoodong LEE of BAE, KIM & LEE, LLC.

Date of Closing Argument: September 1, 2019

Decision Date: September 25, 2019

DECISION OF PKID

ORDER

1. The plaintiff's petition is dismissed.
2. The cost arising from this litigation shall be borne by the plaintiff.

PLAINTIFF'S DEMAND

[i] Injunction of use of D method and manufacturing and lease or offer for lease of D terminal;

[ii] Destruction of D terminal and any media recorded on D server program;

[iii] Payment of 1 billion yen (10M USD) for damages equivalent to royalty

DECISION OF PKID

OPINION

1. Basic Facts
   A. Plaintiff's Subject Invention at Issue (Pat. No. 20190925)
   B. Defendant's Product
2. Parties' Argument
   A. Plaintiff

   The defendant's D method includes all of the elements identical or equivalent to those of the patented invention, thereby being within the scope of the rights thereof. The allegedly infringing invention includes all of the elements of claim 1, thereby being within the scope of the rights of claim 1 of the patented invention.

   B. Defendant

   The defendant's D method has some elements of the car navigation system in a remote server and does not distinguish between the first and second memories, which makes the method different from the patented invention, thereby not falling within the scope of the rights thereof.

DECISION OF PKID

3. Whether the Product Practiced by Defendant Falls within the Scope of Rights of the Patented Invention

A. Element-by-element Comparison

Element	Claim 1	D method
1	Control method for car navigation system that displays a map on a display screen, the method comprising steps of:	A control method for car navigation system comprising a server and a terminal that displays a map on a screen of D terminal, which includes
2	reading, from first memory means in which facility data comprising display data indicative of a plurality of service facilities and coordinate data indicative of existing positions of the service facilities have previously been stored, the display data to display the plurality of service facilities on the display screen	holding D spot data including D name data indicative of a plurality of spots and D position data indicative of existing positions of the spots in D server of the car navigation system in order to display the plurality of spots corresponding to the D name data on the screen;
3	designating one of the plurality of service facilities displayed on the display screen in accordance with an operation;	receiving an instruction to register one of the plurality of spots displayed on the screen as a "memo position";

DECISION OF PKID

Element	Claim 1	D method
4	reading coordinate data corresponding to the designated one service facility from the first memory means;	obtaining D position data corresponding to the designated spot from D server to be registered according to the instruction in order to store the D position data as D memo data;
5	storing the read coordinate data as user registered data in second memory means; and	
6	displaying a position indicated by the coordinate data read from the second memory means by superimposing a predetermined pattern on to the map when the map is displayed on the display screen.	and superimposing an icon on the map indicated by the D position data of D memo data read from D server when the map is displayed on the screen.
	■ first memory ○ facility data = display data + coordinate data ■ second memory ○ coordinate data → user registered data	■ D server ○ spot data = name data + position data ■ D server ○ position data → memo data

DECISION OF PKID

B. Literal Infringement

- Element 1 ~ 3 ; SAME
- Elements 4, 5 and the corresponding element of D method have some in common in that coordinate data corresponding to the designated service facility is read out and stored as user registered data (D memo data). However, claim 1 stores facility data including coordinate data in the first memory means and the user registered data in the second memory means whereas D method stores D spot data and D memo data all in D server.
- Element 6 and the corresponding element of D method are the same in that a position indicated by the coordinate data is displayed by superimposing a predetermined pattern or an icon when the map is displayed on the display screen. However, the coordinate data is read from the second memory means under claim 1 while D method reads the data from D server. This is because the elements 4 and 5 store user registered data (D memo data) in different locations.

DECISION OF PKID

B. Literal Infringement

- Whether the plaintiff deliberately excluded the technology for installing some composition of the car navigation system remotely from the scope of the rights of the patented invention.(Prosecution history of application)
  - "In view of the circumstances below, however, the car navigation system of claim 1, instead of being construed to be limited to the installation of all elements of the system in the vehicle, includes the composition where some elements are remotely connected as D method if external power besides the power of the system itself can be supplied"
- Whether the plaintiff deliberately excluded the remotely installed memory from the scope of the rights of the patented invention
  - the first memory means included in claim 1 cannot be limited to portable storage medium such as CD-ROM.

DECISION OF PKID

B. Literal Infringement

- As described above, claim 1 includes not only a composition in which memory is installed in a vehicle but also a composition in which memory is installed remotely. The defendant's D method, however, does not distinguish the memory provided in the remote server by function while claim 1 distinguishes between the first and second memories and the functions thereof. As such, there is a difference in composition and thus the defendant's D method is not literally included in the scope of the rights of the patented invention.

DECISION OF PKID

C. Infringement under Doctrine of Equivalents

- D method, however, stores spot data and memo data all in D server without distinguishing where each data is stored. Thus, it is difficult to expect cost reduction and convenience as in claim 1 from the method. D method is not relevant to the technology that constitutes an economical system by distinguishing the first and second memories and only relates to the technology to install the memory in a remote server.
  Therefore, since the two inventions are different at the core of the technical idea, it is difficult to believe that the principles to solve the problem are the same. As a result, the composition of storing and reading data in the first and second memory means under claim 1 and the composition of storing and reading data in D server under D method are not in an equivalent relationship.

DECISION OF PKID

D. Summary of Analysis

The defendant's D method does not have elements literally identical to or in an equivalent relationship with the patented invention, thereby not being within the scope of the rights of the patented invention.

4. Conclusion

The defendant's D method does not infringe the patented invention, and the plaintiff's claim based on a different premise is without merit and therefore dismissed as ordered.