Guideline of Civil Appellate Practice and Procedure of the Patent Court of Korea

March 16, 2016, Patent Court

I. Purpose of the Guideline

The Guideline of Civil Practice and Procedure of the Patent Court of Korea(hereinafter to as "the Guideline") is prepared to facilitate expeditious and efficient civil appeal proceedings involving complex issues by prescribing matters such as procedural discussions, designation of deadlines for submitting arguments and rebuttal arguments, and focusing examination on disputed issues. In addition, by prescribing and publicly disclosing the hearing procedures and methods for requesting and examining evidence adapted to the nature of patent actions, the Guideline provides predictability to the interested parties and facilitates diligent preparation in appeal proceedings.

II. Petition of Appeal and Preparatory Order

1. Preparatory Order to Appellant

A. If a petition of appeal does not contain the statement of sufficient grounds of appeal, the Court issues a preparatory order requesting appellant to submit of a statement of grounds of appeal, immediately upon receiving the petition for appeal.

B. No later than 3 weeks from receipt of the preparatory order, the appellant shall submit a statement of grounds of appeal including the following:

① Errors of fact and errors of law in the judgment of the lower courts;

② A summary of the factual and legal arguments made by the appellant and the appellee in the lower court, and undisputed facts among the appellee's arguments;

③ A summary of the evidence submitted in the lower court and the purport of the evidence;

④ New arguments raised in appeal, new evidence presented in appeal and the purport thereof, and the reason(s) for the failure to present the arguments and evidence in the lower court;

⑤ Notice of related cases [all cases pending in the Intellectual Property Trial and Appeal Board of the Korean Intellectual Property Office((hereinafter to as "the

IPTAB") or in the court and involving the same patent, utility model, trademark or design shall be deemed to be related cases (including a case initiated by a petition for correction trial and a petition for correction). If the appellant fails to notice such cases without a justifiable cause, the cases may be not considered during the appeal proceedings]; and

⑥ Whether the appellant desires mediation or settlement.

2. Preparatory Order to Appellee

A. No later than 3 weeks from service of the appellant's brief containing the grounds for appeal, the appellee shall submit a statement of response including the following:

① Answer to the appellant's arguments and undisputed portions among the appellant's arguments;

② A summary of the evidence submitted in the lower court and the purport of the evidence;

③ New arguments raised in appeal, new evidence presented in appeal and the purport thereof, and the reason(s) for the failure to present the arguments and evidence in the lower court;

④ Notice of related cases [all cases pending in the IPTAB or in the court and involving the same patent, utility model, trademark or design shall be deemed to be related cases (including a case initiated by a petition for correction trial and a petition for correction). If the appellee fails to notice such cases without a justifiable cause, the cases may be not considered during the appeal proceedings]; and

⑤ Whether the appellee desires mediation or settlement.

B. If the appellee fails to submit a statement of response or answer to the ground of appeal is not sufficient in the statement of response, the Court may issue a preparatory order requesting appellee to submit a statement of response describing the purport of the response in detail.

3. Instructions Relating to New Arguments and Evidence

In the case where the lower court held a preparatory hearing or designated a deadline for submission of arguments, if a party seeks to add new or modified arguments that had not been submitted by the conclusion of the preparatory hearing or the designated deadline in the lower

court or to submit any evidence for the new or modified arguments, the party shall provide a detailed explanation for the failure to submit the argument or evidence within such period based on a justifiable cause, provided that submission of such argument or evidence does not cause a substantial delay in the appeal proceeding.

III. Classification of a Case and Pre-Hearing Procedure

1. Classification of a Case

Upon submission of a statement of the grounds for appeal, the presiding judge reviews the case based on the briefs and appeal record and classifies the case as a case requiring immediate designation of a hearing, a case requiring a case management conference or a preparatory hearing, or a case to be referred to an early mediation proceeding.

2. Preparatory Order for Hearing

For a case requiring immediate designation of a hearing, in order to conduct the proceedings in a diligent manner, the Court may issue a preparatory order to the appellant and the appellee designating deadlines for submission of arguments and evidence and for requests for evidence that require a substantial amount of time such as an expert witness.

3. Video Conference for Case Management

A. After hearing opinions of the parties, the presiding judge may discuss procedural matters of the case with the parties simultaneously through video and audio communication means (hereinafter, "video conference for case management"). The presiding judge may designate the judge to be in charge of the above process.

B. The Court may notify the appellant and the appellee of the video conference and issue a preparatory order with regard to the conference.

C. In a video conference for case management, the following matters may be discussed:

① Dates and the number of hearings, and disputed issues to be addressed in each of the hearings;

② Deadlines for submission of arguments and evidence (including deadlines for submission of comprehensive briefs and expert's statement, and the number or volume of briefs to be submitted);

③ Whether to request for evidence requiring a substantial amount of time, such as an expert witness, and the deadline for such a request;

④ Whether to hold a technical explanatory session by the parties;

⑤ Whether to refer the case to a mediation proceeding; and

⑥ Confirmation and summary of issues.

D. The Court may issue a preparatory order (scheduling order) based on the results of the video conference for case management.

E. If the Court orders submission of comprehensive briefs in a preparatory order, the appellant shall submit a comprehensive brief no later than 3 weeks from the date of the video conference for case management (or a deadline designated in the preparatory order) and the appellee shall submit a comprehensive brief no later than 3 weeks from the date of the appellant's submission of its comprehensive brief (or a deadline designated in the preparatory order).

F. Each party shall describe all arguments in its comprehensive brief (including the arguments that were made in the lower court and not withdrawn) and submit main evidence for the arguments. If the Court has ordered submission of comprehensive briefs for specific issues, the comprehensive briefs shall include all arguments relating to the specific issues.

G. If a party seeks to add any new or modified argument or submit evidence for such argument after the deadline for submission of arguments and evidence designated in the preparatory order, the party shall provide an explanation for the failure to submit the argument or evidence within the designated period based on a justifiable cause [e.g., addition or modification of arguments such as an argument relating to the statement of claim or defense, an argument that changes the closest prior art ("main prior art") relating to novelty, inventive step or a free-to-practice technology defense or that adds or changes prior art and the combination relationship thereof, an argument for lack of sufficient description in the specification based on a different legal provision, an argument contrary to the judgment of the lower court, etc.].

4. Preparatory Hearing

A. The Court may hold a preparatory hearing and have the parties present in order to summarize the parties' arguments and evidence or to hold a technical explanatory session.

B. If a party seeks to add or modify an argument or submit evidence for such added or modified argument after the conclusion of the preparatory hearing, the party shall

provide an explanation for the failure to submit the argument or evidence before the conclusion of the preparatory hearing based on a justifiable cause.

IV. Oral Hearings

1. Conduct of Oral Hearings

A. Each party shall present an oral argument for 15 minutes, in the order of the appellant and the appellee. Even when a party has retained more than one attorney-of-record, the party shall present its oral arguments within the above time period. If deemed necessary, the presiding judge may extend or shorten the time.

B. Any materials for oral arguments shall be submitted no later than 1 week before the designated date for each hearing.

C. If necessary, the parties shall bring the products directly related to the case (e.g., products implementing a patent in dispute, accused infringing products, etc.). The presiding judge may request the parties to explain or demonstrate the products.

2. Separate Oral Hearings according to Issues

A. If deemed necessary in any of the following cases, the Court may consult with the parties and hold the separate oral hearings according to issues:

① Where it is necessary to hold oral hearings according to specific claims or issues because several claims are consolidated or several issues are in dispute;[1]

---

[1] < Operational Example > When the issues of infringement and the amount of damages are in dispute:

① Based on the discussion in a video conference for case management, the Court sets a schedule for the separate oral hearing according to issues and designates a deadline for submission of arguments and evidence on the infringement issue. → The Court holds a first hearing directed to the infringement issue → The Court may disclose its opinion on the infringement issue, either orally or in writing.

② If a prima facie case of infringement is established, a discussion is held during a preparatory proceeding for setting the deadlines for submission of arguments and evidence relating to the amount of damages, procedures and methods of examination of evidence, etc.

If infringement is not clear, a discussion is held during a preparatory proceeding for conducting additional examination on unclear portions in a second hearing.

③ The Court holds the second hearing directed to the disputed issue discussed in the preparatory hearing proceeding. → The Court issues a judgment.

② Where a hearing for claim construction should be conducted first because the parties dispute the proper construction of the claims and the parties' arguments on other disputed issues may change according to the claim construction;[2] or

③ Where it is otherwise necessary to hold hearings directed to specific issues.

B. At each of the hearings, the scope of the hearing is limited to the disputed issue designated for that hearing.

C. After a hearing, the Court may disclose its opinion, either orally or in writing, regarding disputed issues on which examination has been completed. The above opinion can be changed later. The judge panel may order the parties to prepare for hearings on other remaining disputed issues based on the Court's opinion above.

3. Hearings of an Infringement Action and a Cancellation of IPTAB Decision Action

A. If deemed necessary, such as when both an infringement action and a cancellation of IPTAB decision action involving same patent, utility model, trademark or design are filed together before the Court and are litigated by same parties and the attorneys-of-record, the Court may examine both actions in parallel.[3]

---

[2] < Operational Example > When claim construction is in dispute:

① Based on the discussion in a video conference for case management, the Court sets a schedule for the construction of the asserted claims first and designates a deadline for submission of arguments and evidence for claim construction and other disputed issues. → The Court holds a first hearing directed to construction of the claims in dispute.

② The Court discloses its opinion on the proper construction of claims, either orally or in writing, and orders the parties to prepare for a hearing directed to the other remaining disputed issues.

③ The Court holds a second hearing directed to the other remaining disputed issues. → The Court issues a judgment.

[3] < Operational Example > When the infringement action and the cancellation of IPTAB Decision action are heard before the Court in parallel:

① The Court examines the issues of nullification (and infringement) in a first hearing. → Regarding the cancellation action, the Court concludes a hearing or sets a hearing TBD.

② If the nullification is not recognized, the Court discloses its opinion on this (and may issue a judgment regarding the cancellation of decision action first) and discusses other remaining issues of the infringement action in a preparatory hearing. → A second hearing → The Court issues a judgment.

If the nullification is recognized, the Court discloses its opinion on this (and may issue a judgment regarding the cancellation of decision action). → A second hearing → The Court issues a judgment.

B. If it is necessary to organize related arguments in an infringement action and a cancellation of IPT decision action, the Court may conduct preparatory proceedings for these actions in parallel.

V. Application and Examination of Evidence

1. Application to Adduce Evidence and its Admissibility

A. If a party makes an application to adduce new evidence in the appeal proceeding, the party shall provide a detailed explanation for the failure to submit the evidence in the lower court. The Court determines whether to admit the evidence in consideration of the circumstances, including whether a significant harm to the other party is expected from a delay in court proceedings or whether an expedited proceeding is necessary.

B. If a party makes an application to adduce evidence that is identical or similar, in the evidentiary purport, to the evidence that had been admitted and examined by the lower court (e.g., where the lower court appraised an amount of damages and a party files a request for a separate appraisal to impeach the appraised amount), the party shall provide a detailed explanation on the need for such evidence.

C. If a party makes an application to adduce evidence that had been filed but rejected by the lower court or voluntarily withdrawn by the party in the lower court, the party shall provide a detailed explanation on the need for such evidence.

D. If deemed necessary, the Court may conduct a preparatory proceeding for discussing evidence examination procedure. After hearing the parties' opinions, the presiding judge may discuss procedural matters via a video conference method set forth in Section III.3.A and, if deemed necessary, issue a preparatory order in relation thereto.

2. Expert Witnesses

A. If a party files a request for an expert witness, the party shall attach a declaration that can confirm the expertise and objectivity of the witness.

B. The Court may issue a preparatory order for examination of an expert witness (e.g. deadlines for submission of a statement of the expert witness and a questionnaire for the direct examination, limitation of the time for examination, and deadlines for submission of arguments and evidence for impeaching the credibility of the expert witness testimony).

C. The direct examination by the party who requests for the witness shall be made within the scope of the statement of the expert witness. All materials presented or cited in the direct examination shall be submitted as evidence before the date designated for examining the witness.

D. If an expert witness is a foreigner, the parties may be respectively accompanied by an interpreter for the direct and cross examinations. If a party cannot be accompanied by an interpreter, the party shall notify the Court of the same 4 weeks before the witness examination date and file a request for designation of an interpreter.

3. Order to Adduce Materials

A. According to a party's request, the Court may order the other party to submit documents or materials(including electronic documents) necessary for proving infringement or calculating the amount of damages occurred by the infringing act (e.g., accounting books, books relating to revenues or expenditures, contracts, tax invoices, tax returns, and statements of bank transactions). The Court may determine the types and scope of materials to be submitted by comparing the adverse impact that the requesting party would suffer due to the lack of access to materials and the adverse impact that disclosure of materials would have on the disclosing party. If the disclosing party presents justifiable grounds such as the documents contain sensitive personal information or information that is not relevant to proving infringement or calculating the amount of damages, the Court may permit submission of the documents by redacting corresponding portions according to the disclosing party's request.

B. If deemed necessary, the Court may, upon a request by a party, generally describe the purport of materials requested and the facts to be proved by the materials and order the other party to submit descriptions and purport of the materials in its possession that relate to the request.

C. If deemed necessary such as when it is disputed whether the other party is in possession of the materials, the Court may examine the parties or witnesses before issuing an order for production of materials.

D. If the other party refuses to produce the materials, the Court may request the party to provide the materials for the purpose of determining whether a justifiable cause exists for the refusal to produce the documents.

E. If the materials requested to be produced contain trade secret, the Court may, upon a request by the party in possession of the materials, order the requesting party or its counsel to keep the contents of the materials confidential by its ruling.

4. Appraisal

A. The Court may conduct an appraisal if an appraisal for calculating the amount of damages was not conducted in the lower court, the appraisal is necessary to determine a reasonable royalty or a contribution ratio of a patented invention, or the appraisal is otherwise acknowledged to be necessary.

B. The parties shall explain to the appraiser matters necessary for the appraisal of the damages amount.

5. Technical Advisors

A. If deemed necessary, the Court may hear opinions of the parties and designate one or more technical advisors.

B. A preparatory hearing may be held if it is deemed necessary for the technical advisors to understand the case. In the preparatory hearing, the technical advisors may directly question the parties with approval of the presiding judge. If it is necessary for a party to supplement its answer to a question from the technical advisors, the party shall submit its supplemental answer in writing to the Court by a deadline designated by the presiding judge.

6. Submission of Arguments and Evidence regarding an Amount of Damages

A. The respondent from whom compensation for damages is sought shall provide specific answers to the arguments of the petitioner, and if the petitioner's arguments are different from the facts, the respondent shall disclose the actual sales period of products, quantities sold, unit cost of sales, sales amount, manufacturing cost, and profit rate.

B. If account books or books relating to accounting or finance recording sales or expenditures are submitted, the disclosing party shall attach a written confirmation of the person who prepared the books (for a company, the chief executive officer and the chief accounting officer) verifying that the submitted documents are the original documents or copies of the original documents without any modification, deletion, or omission. If the other party raises a reasonable doubt on the authenticity of the account books, the disclosing party shall submit additional documents (bank or financial documents, etc.), which are the basis for preparing the books.

VI. Mediation

1. Early Mediation

A. Immediately upon receiving an appeal case or at an appropriate time, the presiding judge may determine whether the case is suitable for mediation and refer the case to an early mediation proceeding.

B. In principle, the mediation judge shall be in charge of cases referred to an early mediation proceeding. Upon discussions with the parties, the mediation judge may conduct mediation proceedings at suitable locations other than the Court.

2. Mediation after Hearing

Even after the first hearing, if deemed necessary, the presiding judge may refer the case to the mediation proceeding to enable the Patent Court Mediation Committee or the like to mediate the case.

VII. Preparing Documents for Submission

1. Briefs

A. Contents of Briefs

① If a brief of 20 or more pages is to be submitted, a table of contents shall be included at the beginning of the brief.

② If evidence supporting an argument is submitted, a number for the evidence shall be indicated in a corresponding portion of the brief.

③ Technical terms shall be defined in footnotes and the sources thereof shall be identified.

④ A comprehensive brief shall include, at the beginning thereof, a summary of all offensive and defensive arguments by a party in this action and main evidence (including prior arts) therefor.

⑤ In briefs other than the comprehensive briefs, arguments that have been previously made shall not be repeated.

B. Arguments regarding Inventive Step

① A specific combination relationship of prior arts and the reason for the ease in combining the prior arts shall be specified. It should be noted that if such an argument is not specified, it may be deemed that the argument had not been made.
Example) The inventive step of the Claim is denied by Prior Arts 1 to 3 (×).

If the ○○ constitution of Prior Art 2 is added to Prior Art 1 which is the main prior art (or if the constitution 2 of Prior Art 1 is replaced with the ○○ constitution of Prior Art 2), the patented invention is derived. And since Prior Art 1 discloses a suggestion for such combination, a person of ordinary skill in the art could have easily conceived such combination and thus the inventive step of the patented invention is denied (○).

② A feature comparison chart comparing the corresponding features of the patented invention and each of the prior arts shall be submitted.

③ The features of prior arts shall be specified in detail. If a single document contains multiple inventions, it shall be clearly specified as to which of the multiple inventions is asserted to be a prior art.

④ The person of ordinary skill in the art and the level of ordinary skill in the art shall be specified in detail.

⑤ The foregoing requirements shall also apply to a free-to-practice technology defense.

C. An argument regarding a lack of written description in the specification shall specify an applicable legal provision on which the argument is based.

D. Arguments regarding Infringement

① Infringing products and methods shall be described specifically, individually, and factually to allow the enforcement agency to identify the same without a separate judgment in relation thereto (e.g., describing the names and model numbers of products with drawings or photos attached).

② Arguments regarding infringing products and methods shall be made in sufficient detail to allow comparison with the patented invention and the descriptions shall correspond to the products and methods practiced by the other party in factual aspects.

③ A feature comparison chart comparing the corresponding features of the patented invention and the infringing products and methods shall be submitted.

E. Arguments regarding an Amount of Damages

① Plaintiff's argument regarding the amount of damages shall indicate an applicable legal provision on which the argument is based and shall indicate an evidence number relating to an argument for each of the essential elements.

② Defendant's response relating to the amount of damages shall include a detailed rebuttal argument to the plaintiff's factual arguments (it should be noted that any fact not specifically denied may be deemed as being undisputed). In particular, if the plaintiff claims a damages amount based on Article 128(1) of the Patent Act, the defendant's response denying the transferred volume argued by the plaintiff shall state the actual transferred volume. If the plaintiff claims a damages amount based on Article 128(3) of the Patent Act, the defendant's response denying the profit amount argued by the plaintiff shall state the actual profit amount and the grounds for calculating the amount such as sales revenues, expenses, profit margins, etc.

2. Explanatory Documents for Evidence

A. Each item of evidence and the purport to be proved therefrom shall be briefly described.

B. If an item of evidence is submitted in relation to an argument regarding novelty, inventive step, or free-to-practice technology, it shall be clearly specified whether the evidentiary item is submitted as a prior art invention or as evidence of well-known prior art.

3. Documentary Evidence

A. Written documents in a foreign language shall be submitted with a translation attached thereto and the main evidence (e.g., prior arts, etc.) shall be submitted with a professional translation attached thereto. Machine (automatic) translations shall not be submitted.

B. A documentary evidence shall indicate a title if the title of the document exists, or a summary of the document, if the document has no title [e.g., "Product Catalogue of the Company ○○ (published on January 2, 2006)"]. A written evidence submitted as a prior art shall indicate the same [e.g., "(Prior Art 1) Registered Patent Publication No. 0012345"].

C. Each evidence shall contain only a single evidentiary item [e.g., in trademark cases, several blog postings shall be submitted as separate evidentiary documents; however, if they are related, they can be indicated as multi-level numbers (Plaintiff's Exhibit No. 2-1, 2-2, etc.)].