

# NEWSLETTER

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Intellectual Property Group

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## Latest Supreme Court Decision Sets New Standards for Inventiveness

### Benefit of invention now a more important factor for inventiveness

On May 14, 2020, the Supreme Court held, for the first time, that even if there are no facially apparent difficulties in combining certain prior art technologies to arrive at a particular patented invention, such combination would not be easy and thus inventiveness of the claim at issue should not be denied where the benefit of the claimed invention is hard to predict.

- I. Lee & Ko's IP Practice Group prevails for its client before the Supreme Court by arguing that unexpected, significant benefits of the invention mean that it was not easy to combine the prior art references.

The prior Supreme Court precedent has been that “inventiveness of a patented invention cannot be judged by merely disassembling the claimed constitution and determining whether each of the disassembled individual elements is in the prior art; rather, one should examine the difficulty of conceiving the claimed constitution as a systematically combined whole; and the benefit of the claimed invention as a combined whole should be considered.” (Supreme Court Decision No. 2005Hu3284). Accordingly, when determining inventiveness, the general practice in Korea has been to first determine the purpose of the invention, and then the constitution, and lastly, the benefit.

However, there has been no concrete guidance on how the difficulty of conceiving the claimed constitution relates to the benefit of the claimed invention. In other words, although there are cases that recognize inventiveness on the ground that both (i) the claimed constitution is not easily formed from prior art combinations, and that (ii) the benefit of the claimed invention is unexpected and significant, as well as those that deny inventiveness on the ground that both factors are lacking, there has been no case law that upholds inventiveness on the ground of (a) unexpected, significant benefits of the claimed invention, where (b) the prior art

references at issue do not, on their face, present any difficulty in combining them to form the claimed constitution.

This Supreme Court case is significant in that it clearly held that inventiveness may be recognized if the benefit of the invention is significant and not easy to predict, even where the prior art references at hand do not, on their face, present a difficulty in combining them to reach the claimed constitution (especially for chemical inventions).

## **II. Summary of the case – inventiveness found in the absence of facial difficulty in combining the prior art, but in the presence of unexpected, significant benefits of the invention**

The patented invention of this case relates to the invention of a liquid crystal composition containing ingredients A, B and C. The main issue of the case was whether the patented invention could be easily derived by combining two prior art references, one of which discloses ingredients A and B, and the other ingredient C. The Patent Court and the Supreme Court both recognized inventiveness in consideration of the benefits of the invention; however, their reasoning differed to a degree.

First, the Patent Court, finding that (i) it was not difficult to combine the two prior art references to derive the claimed constitution, but that (ii) the benefits of the claim at issue were significantly superior to those that can be expected from the combination of the two references, held that inventiveness should be recognized.

In other words, the Patent Court held that even where the relevant prior art references can be easily combined, unexpected and significant benefits of the invention can be an independent basis for finding inventiveness.

This Patent Court decision led to a heated argument in the Supreme Court, and the Supreme Court affirmed the finding of inventiveness, but on a different reasoning. The Supreme Court, unlike the Patent Court, focused on the factual finding that, in the technical field of the patented invention, it was not easy to find a combination that produced the intended benefits of the invention, and that the benefits of the patented invention were superior to those expected from combining the prior art technologies at issue. The Supreme Court then decided that inventiveness must be upheld if it is difficult to predict how the combination of the prior art references would impact the known benefits of the individual references (e.g. where combination with ingredient C might impair the known benefits of ingredients A and B), even when the idea of combining the relevant ingredients from the prior art is not, on its face, a challenging task. In such a case, as the Court went on, it is difficult to conclude that such combination could have been easily conceived by a person of ordinary skill in the art.

In other words, the Supreme Court, in reaching the same result as the Patent Court but applying a different rule, held that the benefits of the invention should be considered as part of the determination of whether the relevant prior art references can be combined.

### III. Significance of the case – new, concrete standard for the role that the invention’s benefits play in determining inventiveness

This Supreme Court case is significant in that it provides a concrete standard for the interplay between (i) difficulty of combining the relevant prior art to derive the claimed constitution and (ii) unexpected, significant benefits of the invention in determining the issue of inventiveness.

This case made it clear that, unlike the prior standard of considering the purpose of the invention first, then the difficulty of deriving the claimed constitution and lastly the benefit (and this approach was problematic in that the lack of difficulty in deriving the claimed constitution often ended the issue of inventiveness), the benefits of the invention should be considered in determining whether the claimed constitution was difficult to derive (i.e., by combining the relevant prior art references). Thus, it is now possible (as was the case in this Supreme Court case) that a claimed invention that facially appears to be easily derivable from combining relevant prior art references nonetheless possesses inventiveness, based on unexpected and significant benefits of the invention. The ruling also reduces potential hindsight bias problems.

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