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Understanding the Trademark Act of the Republic of Korea

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Understanding the Trademark Act of the Republic of Korea

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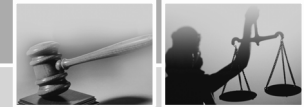
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PART I _GENERAL



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PURPOSE OF THE TRADEMARK ACT

CHAPTER II

COVERAGE OF TRADEMARK ACT

CHAPTER III

SERVICE MARKS, COLLECTIVE MARKS
AND BUSINESS EMBLEMS

PART I GENERAL

CHAPTER I PURPOSE OF THE TRADEMARK ACT

SEC. 1 LEGISLATIVE INTENT

Article 1 of the Trademark Act (hereinafter referred to as the “Act”) stipulates that: “the purpose of this Act is to contribute to the development of industry and to protect the interests of consumers by pursuing to maintain, through the protection of trademarks, the goodwill of those using trademarks.” On a separate note, the case law from the Supreme Court of Korea regards ‘the prevention of unfair competition’ as the purpose of the Act; this belief is illustrated in a Supreme Court case holding which says: “the purpose of the trademark system is to maintain the association between the trademark and the product, thereby preventing unfair competition and protecting the goodwill of trademark holders as well as dealers and consumers.”

SEC. 2 SPECIFIC DETAILS OF THE PURPOSE

I. Protection of trademarks

1. Scope of ‘trademark’

‘Trademark,’ as used in the context of the Act, denotes an all-inclusive notion encompassing not only trademarks in its narrowest sense but also, *inter alia*, service marks, collective marks and business emblems. Although the term, in principle, refers to registered trademarks only, the Act recognizes the protection of unregistered marks that are famous and well-known, albeit in limited instances, such as the statutory preclusion of the registration of those identical or similar thereto.

2. Substance of protection

The trademark holder has proprietary rights as well as exclusive rights to its trademarks whereby any third persons are barred from registering and using it, which entitles the holder to both positive and negative protections.

3. Scope of protection

The trademark holder holds, in a positive manner, sole rights to use its registered marks and designated products, as well as in a negative manner, exclusive rights to preclude

any unauthorized use thereof by any third persons without legitimate title. Although the scope of the proprietary rights is limited to those with either a, registered mark or designated product, the exclusive rights are recognized to be more far-reaching, and will include other scopes similar thereto, in pursuit to prevent any confusion or misunderstanding as to the source of the products.

II. Pursue to maintain the goodwill of trademark users

1. Trademark users

“Trademark user” refers to either a registered trademark holder or a user who has both registered and used the trademarks and, where it has been generally established that the holder has met and followed the statutory requirements and procedures respectively. There is, however, an exception made for users of unregistered but famous and well-known trademarks; these unregistered trademark users are entitled to protection through the preclusion of registration by others.

2. Pursue to maintain goodwill

Through legal protection, third parties are barred, from infringing upon, registering, or using already registered or unregistered but famous and well-known trademarks. This legal protection measure thwarts much confusion and misunderstanding which usually occurs as a result of imitations and piracy. Therefore, legal protection permits trademark users to better maintain and improve the quality of their products while using their trademarks, which subsequently serves to maintain the goodwill of those using trademarks.

III. Contribute to the development of industry

The protection of trademarks safeguards and maintains the goodwill of trademark users, prevents unfair competition by others, and allows consumers to trade goods at ease, which in turn establishes sound commercial practices and standards on the national level and ultimately contributes to the development of industry.

IV. Protect the interests of consumers

The protection of trademarks enables the assurance of the source and quality of products, which is the essential trademark function. By assurance of the source and quality of products, the reliance interests between consumers and dealers is established, whereby, trademark users will make a continual effort to improve the quality of products ,which consequently protects the interests of consumers.

V. Prevent unfair competition

“Unfair competition” refers to any acts of competition committed against fair industrial or business practices. The prohibition of any third persons from imitating and registering trademarks, therefore, maintains (i) the goodwill as embodied in specific trademarks, (ii) the function of identifying the source or guaranteeing the quality of products, and (iii) sound commercial disciplines, thus establishing the discipline of competition.

CHAPTER II COVERAGE OF THE TRADEMARK ACT

SEC. 1 TRADEMARK

I. The notion of trademark

1. The generally accepted definition of trademark:

The generally accepted definition of trademark is a catch-all category that includes generic terms, commonly used marks, and descriptive marks such as those used to uniquely identify products for the purpose of securing goodwill. Accordingly, any symbol, text, figure, three-dimensional shape, color, hologram, motion, or a combination of these elements as well as any other visually perceivable thing, sound, smell or any other sign that may be identified using sensory perception, may constitute a trademark as long as it serves the essential function of distinguishing certain products from others.

It is, however, impossible to protect all these trademarks according to the generally accepted view under the Trademark Act; therefore, the notion of the trademark as protected under the Act is defined by exclusively including only those trademarks meeting certain requirements fitting into the framework of the Act.

2. The trademark as protected under the Trademark Act

The trademark under the Act refers to any symbol, text, figure, three-dimensional shape, color scheme, hologram, motion, or any combination thereof or any other visually recognizable thing that is used by a person who is engaged in the production, processing, certification, or the sale of goods, in order to distinguish the goods involved in his business from those of other persons (Art. 2 of the Act).

The Act as revised in January 2007 extended the scope of the trademark to color schemes, holograms, motions, and visually recognizable things, thereby incorporating into the scope of the trademark certain non-conventional trademarks, which had not been protected under the Act.

II. Types of trademarks

1. Constitutional categorization

Trademarks may be categorized into: symbol marks, constituting simplified text or symbols; word marks, such as Hangul, Chinese characters, foreign words, Latin alphabets, digits and other characters; device marks, such as realistically drawn images of animal and plant life, celestial bodies and objects or geometrical figures; color marks, such as combinations of symbols, text, figures or three-dimensional shapes and colors or ex-

clusively colors or combinations of colors; three-dimensional marks, such as the design of three-dimensional shapes of products or packages; hologram marks, using the interference between two laser beams; motion marks, consisting of a series of pictures animated over time or moving images, composite marks, consisting of two or more elements of the aforementioned symbols, text, figures, three-dimensional shapes, color schemes, holograms, and motions; and any other visually perceptible marks.

2. Functional categorization

Trademarks are may be categorized into: product marks, indicating the products handled by trademark holders and business marks, which are used to indicate the business or the name of trademark holders.

3. Categorization by registration

Trademarks may be classified into registered trademarks and unregistered trademarks, depending on whether the mark is registered or not.

III. Bordering concepts of trademark

1. Trade name

The trademark is used on products to distinguish it from those of other entities, serving the function of indicating the identity of products, whereas the trade name is used by a corporate or individual entity to identify itself for commercial purposes, indicating the identity of businesses. In other words, the trade name is a personal indicator used by a trader to identify oneself, expressed in text, and mandatory for corporate businesses, while the trademark is a symbol used to distinguish one's products from those of others, made up of a symbol, text, figure, three-dimensional shape, color scheme, hologram, motion, or a combination thereof or any other visually recognizable thing, and is not mandatory for its use. The functions of these two, however, often overlap as there is a global trend of making trade names consistent with trademarks, where trademarks are becoming trade names or vice versa in accordance with corporate identity programs. More and more trade names and trademarks are legally protected as trademarks if the trade name is used as a product indicator and registered as a trademark fulfilling registration requirements.

2. Geographical indications

The geographical indication is an indication setting forth that a product originates from a given territory, area or region of a member state if certain qualities, famous attributes or any other properties of the product inherently result from that particular geographical origins. Geographical indications share some similarities with the trademark in that it

is a mark protected within the framework of intellectual property rights and involves the functions of indicating origins and qualities as well as business interests. Due to these similarities, some countries incorporate the geographical indication within the trademark system and regulate it under trademark and geographical indication protection law whereas others protect it as a collective mark or certification mark under trademark law. Under the Trademark Act as revised in 2004, Korea protects the geographical indication as a collective mark.

3. Domain names

“Domain name” refers to a series of letters and numbers corresponding to an internet protocol address of a host computer on the internet. In view of the relationship between trademarks and domain names, word marks are similar to domain names in terms of constitution, and both could serve to indicate the origin of a product or service that is promoted. The trademark, however, may consist of not only text but also a symbol, figure, three-dimensional shape or color scheme while the domain name is limited to a sequence of letters, digits and certain special characters only. The registration of a trademark without a distinctive character is not permitted since the trademark is a distinctive indication whereas a generic term, commonly used mark or descriptive mark may be registered as a domain name since the domain name is based on its nature as an address of the host computer. Furthermore, a number of the same trademarks could coexist as the trademark right presupposes products, exclusive rights are given to designated products, and the identical trademark could be registered for different lines of business or products. On the other hand, the domain name does not presuppose products, and no exclusive rights are given to products; therefore no identical domain name could be given under the same top level domain even if the lines of business or products differ.

SEC. 2 FUNCTIONS OF TRADEMARKS

I. Introduction

The functions of trademarks involve the issue of how a trademark is socioeconomically perceived and acts in its relation to products through the use of the trademark for the products in the trading community. The functions of trademarks at large may be broken down into: primary functions and secondary functions.

II. Primary functions of trademarks

1. Distinguishing function

The representation of the source of a product or assurance of the quality thereof by a trademark presupposes the distinguishing of one's products from those of others, which is referred to as the distinguishing function. As this distinguishing function is a prerequisite to the quality assurance function and source indication function, the distinguishing function is regarded as the most fundamental and intrinsic trademark function.

2. Source indication function

The source indication function of trademarks refers to the representation to consumers that the products bearing the same trademark – under the same brand name – are always produced or sold by an identical source. Put another way, it denotes the function of indicating the source through its identity.

3. Quality assurance function

The quality assurance function of trademarks refers to the function of having consumers to expect that the products bearing the same trademark are always associated with identical characteristics and level of quality. In other words, it denotes the function of assuring the quality through its identity.

III. Secondary functions of trademarks

1. Advertising and marketing function

The advertising and marketing function is this psychological association of trademarks with products as understood in dynamic terms. It refers to the trademark function as a means of sales promotion that uses the trademark to invoke the intention of purchasing in the trading community.

2. Property function

As for the property function of trademarks, if the prolonged and repeated use by a trademark user of its own trademark causes the goodwill associated with the trademark to be embodied into a famous and well-known trademark, then the trademark creates customer attraction in terms of sales, which alone is a tremendous intangible property. Furthermore, since the trademark possesses property value independent of the business operation in which it is used, it also has a property function where the trademark may be separated from the operation and transferred or licensed to others.

3. Protective function

The protective function of trademarks refers to the fact that registered trademarks are protected by the Trademark Act, the trademarks that are unregistered but famous and well-known are precluded from registration by other persons under the Act and afforded the protection of the preclusion from the use by others under the Unfair Competition Prevention Act.

4. Competitive function

The competitive function of trademarks refers to the function that registered trademarks confer proprietary and exclusive rights upon the owner and may be used as extremely favorable means of competition to dominate the market economy, and that unregistered trademarks that have become famous and well-known through continued and exclusive use, acquired customer attraction and accumulated goodwill may serve as useful means in sales competition.

CHAPTER III SERVICE MARKS, COLLECTIVE MARKS AND BUSINESS EMBLEMS

SEC. 1 SERVICE MARKS

I. Overview

1. Significance

“Service mark” refers to a mark that is used by a person who is engaged in providing services for the purpose of distinguishing his services from those of others (Art. 2 (1) 2 of the Act).

2. Institutional intent

As the development of the service industry has required certain marks to perform the role equivalent to trademarks for services, essentially intangible products, the protection of service marks has been institutionalized to protect the goodwill of service providers that is embodied in the marks as well as prevent any damages to consumers that may arise from confusion or misunderstanding as to the source of services.

II. Registration requirements

“Except as otherwise prescribed by this Act, the provisions of this Act concerning trademarks shall apply to service marks, collective marks, and business emblems” (Art. 2 (3) of the Act). That being mentioned, the relative lack of occasions for giving separate explanations of service marks calls for a brief discussion of registration requirements here.

1. Requirement of valid service marks

Since a service mark is a mark as well it requires that it be: a symbol, text, figure, three-dimensional shape, color scheme, hologram, motion, or any combination thereof or any other visually recognizable thing. A service mark, therefore, is limited to a planar or three-dimensional indicator that is recognizable using the sense of vision, and no sound or smell may be registered as a service mark.

2. Distinctive character

As with the case of a trademark, a service mark is required to distinguish one's own services from those of others. On this account, any service mark consisting of such generic term, commonly used mark, descriptive mark, or any other mark with no distinctiveness as associated with the services is not registrable.

3. No grounds for unregistrability

As is the case with a trademark, any mark falling under any grounds for unregistrability under Article 7 of the Act may not be registered as a service mark even if it possesses a distinctive characteristic.

4. A mark being used or to be used for the provision of services

The Act has no provision defining the provision of services, which leaves one no choice but to resort to an interpretative theory as to the definition of service provision. The Trademark Examination Guides stipulate that the provision of services under the Act meet the following requirements (Art. 48 (1) of the Trademark Examination Guides):

- (1) The provision of services shall be an independent object of commercial transactions.
- (2) The services shall be provided for the benefit of others.
- (3) The provision shall not be the provision of goods or services incidental to the sale or provision of other services or goods.

SEC. 2 COLLECTIVE MARKS

I. Overview

1. Significance

“Collective mark” refers to a mark that is intended to be used by a corporation founded by those engaged in the same line of business or those engaged in the same line of business and others closely related thereto, in relation to the products and services offered by the members of the corporation under its supervision (Art. 2 (1) 3 of the Act).

2. Institutional intent

Collective marks began being used so that those manufacturing or selling regional specialty products could establish an association or organization to advance the members' common interests, assure the quality of goods and services offered by them, and secure

goodwill from traders and general consumers; therefore, collective marks serve more of the quality assurance function than the source indication function.

II. Characteristics

“Except as otherwise prescribed by this Act, the provisions of this Act concerning trademarks shall apply to service marks, collective marks, and business emblems” (Art. 2 (3) of the Act). That being mentioned, the relative lack of occasions for giving separate explanations of collective marks calls for a brief discussion of registration requirements and any other things that deserve particular attention here.

1. Registration requirements

As a collective mark must meet ordinary trademark registration requirements, it must (i) be intended for use in relation to the products or services offered by the members, (ii) be filed for registration in the name of a corporation that supervises its members, and (iii) meet other regulations on the registration requirements and grounds for unregistrability.

2. Application

Any application for the registration of a collective mark must be filed together with the articles of incorporation providing for the use of the mark as attached thereto (Art. 9 (3) of the Act).

3. Modifiability of applications

Although prior to the amendment to the Act in Jan. 2007, no modification from one type to another between a trademark registration application and a collective mark registration application or between a service mark registration application and a collective mark registration application was allowed, such modification was made permissible by the amendment (Art. 19 of the Act).

4. Separation between the rights of holders and users

In contrast to more conventional forms of trademarks, the collective mark is unique in that the entity holding the rights to the mark must be a corporation, yet the mark is used, in principle, by its members, not the association or organization as a whole.

5. Restrictions on transfer and licensing

A collective mark or application therefore may not, in principle, be transferred to any other party; provided, however, that either may be transferred with the approval by the Korean Intellectual Property Office (hereinafter referred to as “KIPO”) in the case of a merger or consolidation of corporations (Arts. 12 (9) and 54 (9) of the Act). Furthermore, no license, whether exclusive or non-exclusive, may be created to use a collective mark (Arts. 55 (2) and 57 (5) of the Act), and no pledge may be created on a collective mark either (Art. 54 (1) of the Act).

6. Grounds for revocation unique to registered collective marks

A collective mark may be revoked in any of the following events (which is against the institutional intent of collective marks):

- (1) where the collective mark is transferred either due to any other reasons than a merger or consolidation of corporations or without the approval of KIPO (Art. 73 (1) 4 of the Act);
- (2) where a member of the organization concerned allows a non-member to use the collective mark in contravention of the articles of incorporation of the organization (Art. 73 (1) 5 of the Act); and
- (3) where any modification to the articles of incorporation made after the registration of the collective mark might create misunderstanding as to the quality of goods or confusion with the goods related to any business of another person among consumers (Art. 73 (1) 6 of the Act).

SEC. 3 BUSINESS EMBLEMS

I. Introduction

1. Significance

“Business emblem” refers to a mark that is used by a person engaged in nonprofit activities for the purpose of indicating his activities (Art. 2 (1) 4).

2. Institutional intent

The business emblem is protected through the registration under the Act in the aspect that it is necessary to distinguish one’s nonprofit activities from those of others, despite the nonprofit nature, and to protect the goodwill gained in the mark from the public.

II. Characteristics

“Except as otherwise prescribed by this Act, the provisions of this Act concerning trademarks shall apply to service marks, collective marks, and business emblems” (Art. 2 (3) of the Act). That being mentioned, the relative lack of occasions for giving separate explanations of business emblems calls for a brief discussion of registration requirements and any other things that deserve particular attention here.

1. Additional provisions for application and registration procedures

Any person intending to have a business emblem registered must file an application for business emblem registration together with documents evidencing his activities in addition to the details as required for an ordinary trademark registration application (Art. 9 (4) of the Act).

2. Modifiability of applications

Although the amendment to the Act in Jan. 2007 allowed modification among the applications for the registration of trademarks, service marks and collective marks (Art. 19 of the Act; entered into force on July 1, 2007), no modification of applications is permissible between a business emblem and any trademark, service mark or collective mark.

3. Restrictions on property rights

A business emblem or application therefore may not be transferred unless together with the applicable activities (Arts. 12 (7) and 54 (7) of the Act), and none of exclusive license, non-exclusive license and pledge may be created in connection with a business emblem (Arts. 55 (2), 57 (5) and 54 (1) of the Act).

4. Effect of business emblem rights

As is the case with a trademark, a business emblem gives rise to proprietary and exclusive rights in relation to the activities for which it is registered, and use by any other person of any mark identical or similar to a registered business emblem in relation to any activities identical or similar to the above activities is deemed an infringement.

5. Registration of trademarks and service marks in relation to incidental activities

Since the applicants eligible to file for the registration of business emblems are limited to those engaged in nonprofit activities, the provision of goods or services incidental to nonprofit activities is deemed not to be included in the activities for which business emblems are registered (Art. 50 (2) of the Trademark Examination Guides).

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PART II SUBSTANTIVE ASPECTS OF THE ACT

CHAPTER I REGISTRATION REQUIREMENTS OF TRADEMARKS

SEC. 1 REGISTRABLE TRADEMARKS

I. Overview

Since Korean trademark law adheres to the principle of registration, any mark meeting a prescribed set of constituent requirements for a trademark and possessing distinctiveness is deemed registrable, regardless of use or nonuse of the trademark. The Trademark Act, however, defines specific factors for the perceived lack of distinctiveness in a negative manner; therefore, any trademark meeting the registration requirements as specified in the Act is registrable unless any other factors for unregistrability are applicable. Thus, the question of registrability ultimately boils down to whether the trademark possesses distinctiveness; the rest of this Section, therefore, discusses the notion of distinctiveness and then marks without distinctiveness.

II. Distinctiveness

1. Significance

As “trademark” refers to any mark used by a person who is engaged in the production, processing, certification, or sale of goods, in order to distinguish the goods associated with his business from those of other persons (Art. 2 of the Act), it must have distinctiveness, which serves to distinguish one’s own goods from those of others.

2. A theory on the registrability of trademarks

The Act defines a trademark as any symbol, text, figure, three-dimensional shape, color scheme, hologram, motion, or a combination of these elements as well as any other visually recognizable thing, whether it is distinctive enough to be noticed by general consumers or not; and the registrability of such mark is determined by reviewing if it is eligible as a mark distinguishing goods when the registration of the mark has been filed for.

III. Non-distinctive marks

1. Generic-term marks

(1) Definition of a generic term

Under the Act, any trademark consisting solely of a mark using a generic term for a class of goods in a common manner is not registrable (Art. 6 (1) 1 of the Act). “Generic term” denotes goods that have been recognized and used, and ordinarily refers to certain goods that general consumers and traders deal with in the trading community.

(2) Institutional intent

The prohibition against the registration of these generic terms stems from the fact that these terms must be freely used by anyone and it would be unwarrantable to allow any particular person to make exclusive use thereof as these terms do not possess a distinctive characteristic and are merely common names for particular goods.

(3) The meaning of “consisting solely of a mark using ... in a common manner”

a. “[Use] ... in a common manner”

“[Use] ... in a common manner” refers to the case where the overall visual perception, phonetics and semantic associations of the trademark gives an intuitive perception of the term as a generic term for certain goods (Ref. 3, Art. 6 of the Guides). Accordingly, a mark is not deemed to be used in a common manner if the mark merely makes suggestion or emphasis or is not intuitively perceived as a generic term, even if the mark seems to be used in a common manner at a glance (Ref. 4, Art. 6 of the Guides).

b. “Consisting solely of”

Under the Act, the denial of registration is limited to the case where a mark using a generic term for a class of goods in a common manner is used. Any mark including such generic terms as forming a supplement to another distinctive mark or incorporated into and forming an integral part of the same, therefore, is deemed to be distinctive and thus registrable (Ref. 6, Art. 6 of the Guides).

(4) Test of genericity

a. Personal criteria; actual use or nonuse

The question of genericity must be resolved on the basis of the objective perception shared by general domestic consumers or the trading community, in an abstract sense, the average level of knowledge in relation to the goods for which the mark is to be registered.

b. Regional criteria

Court cases dictate whether a certain mark is a generic term for the goods for which it is registered and should be determined by trading conditions of the goods within the country; registration with a sufficient number of foreign authorities alone does not eliminate the possible genericity of the mark in relation to the applicable goods within Korea. Furthermore, it is interpreted that genericity does not require a mark to be used in a common manner all across the country.

c. Temporal criteria

Emphasis on the public interest rather than the private interest of the applicant requires the determination to be based on the point in time of determining registrability.

d. Other criteria

(a) Based on the entire trademark as a whole

The determination of whether a trademark is a generic term must be based on the entire trademark as a whole as opposed to individual components of the mark.

(b) Consideration of the relation between the designated goods and the trading conditions

Whether a trademark has become the colloquial or generic description for the designated goods must be objectively determined based on whether general traders and consumers could recognize the source of the product, in consideration of the relation between the mark and the designated goods as well as the conditions in which the goods are traded. Consideration must also be carefully given to whether conditions are exceptional enough to recognize genericity at the expense of the interests of a trademark owner and general consumers given the goodwill embodied in the trademark.

(c) References in literature

The reference to a trademark as a generic term on a number of occasions in dictionaries, magazines, newspapers and other literature alone is not conclusive evidence of genericity.

2. Generic trademark

(1) Overview

a. Significance

Under the Act, any trademark generically used in relation to goods is not registrable (Art. 6 (1) 2 of the Act). “Generic trademark” or “genericized trademark” denotes a mark that has lost its distinctiveness as a result of common use by general consumers or the trading community dealing with a class of goods thereof (Art. 7 (1) of the Guides).

b. Institutional intent

The prohibition against the registration of these generic trademarks stems from the fact that these marks must be freely used by anyone and it would be unwarrantable to allow any particular person to make exclusive use thereof as these marks have been freely used in a common manner for a particular class of goods by the manufacturers and sellers of the goods as well as the general public.

(2) Specific criteria

a. Requirements of generic trademarks

A generic trademark must meet the following requirements (Ref. 1, Art. 7 of the Guides):

- (i) The trademark must have been freely used for a particular class of goods by the manufacturers and sellers of the goods as well as the general public.
- (ii) The trademark must have lost its function of indicating its source or distinctiveness as a result of (1).
- (iii) The trademark owner must not have taken such steps as may be necessary to protect the mark. The source indication function or distinctiveness of the trademark, therefore, is not deemed to have been lost if the trademark owner has taken such steps as may be necessary to protect the mark.

b. Personal criteria

The determination must be based on the objective perception shared by general consumers and/or the trade dealing with the particular class of goods.

c. Regional criteria

Although the determination is based on the trading conditions of the goods within the country, it does not require genericization at the level of the entire country.

d. Temporal criteria

Emphasis on the public interest rather than the private interest of the applicant requires the determination to be based on the point in time of determining registrability.

e. Miscellaneous

(a) Based on the entire trademark as a whole

The determination of whether a trademark is a generic trademark must be based on the entire trademark as a whole as opposed to individual components of the mark.

(b) Consideration of the relation to the designated goods

As a generic trademark is a trademark generically used for a particular class of goods, the determination must be made, naturally, in consideration of the relation to the designated goods.

(c) Marks similar to generic trademarks; the genericization of registered trademarks

Any trademark similar to a generic trademark is not deemed as a generic trademark (Ref. 3, Art. 7 of the Guides). Meanwhile, the genericization of registered trademarks should be acknowledged in a limited manner in consideration of the balance with the protection afforded to the owner of well-known and famous trademarks as provided under Articles 7 (1) 9 and 7 (1) 10 of the Act (Ref. 4, Art. 7 of the Guides).

3. Descriptive marks

(1) Overview

a. Significance

Any trademark consisting solely of a mark using the origin, quality, raw material, effect, performance, use, quantity, shape (including the shape of the packaging), price, production methods, processing methods, use methods, or time for use of a product in a common manner is not registrable (Art. 6 (1) 3 of the Act). A mark directly describing the nature of a product in this manner is referred to as a descriptive mark.

b. Institutional intent

Descriptive marks are deemed to permit no distinctiveness and thus are not registrable as (i) they are ordinarily necessary where goods go through distribution channels and therefore are both needed and wanted to be used by anyone; (ii) it would be unwarrantable to allow any particular person to make exclusive use thereof; and (iii) they are often or will necessarily be used in a general manner.

(2) The meaning of “consisting solely of a mark using ... in a common manner”

a. “[Use] ... in a common manner”

“[Use] ... in a common manner” refers to the case where the overall visual perception, phonetics and semantic associations of the trademark gives an intuitive perception as to the nature of certain goods (Ref. 3, Art. 6 of the Guides). Accordingly, a mark is not deemed to be used in a common manner if the mark merely makes suggestion or emphasis and does not give an intuitive perception as to the nature of the designated goods, even if the mark seems to be used in a common manner at first glance (Ref. 4, Art. 6 of the Guides).

b. “Consisting solely of”

Under the Act, the denial of registration is limited to the case where a mark using a descriptive mark for a class of goods in a common manner is used. Any mark used in an extraordinary manner or any mark having other types of distinctiveness, therefore, does not qualify as a descriptive mark.

(3) Specific criteria

a. Personal criteria

The meaning or substance of the trademark must be intuitively recognized by general traders or consumers at first sight. Any mark, whose meaning could be recognized only upon mature deliberation or by looking it up in a dictionary, will not be considered a descriptive mark.

b. Regional criteria

The determination is based on the trading conditions of the goods within the country; registration with foreign authorities alone does not make the mark registrable.

c. Temporal criteria

Emphasis on the public interest rather than the private interest of the applicant requires the determination to be based on the point in time of determining registrability. Accordingly, historical court decisions, review cases, and foreign registrations are not considered.

d. Miscellaneous

(a) Based on the entire trademark as a whole

The determination of whether a trademark is a descriptive mark must be based on the entire trademark as a whole as opposed to individual components of the mark.

(b) Determination in relation to the designated goods

Whether a trademark is a descriptive mark must be determined in its relation to the designated goods. Put in another way, any mark that may not be deemed to be directly descriptive or explanatory of the designated goods, is not a descriptive mark.

(c) Consideration of whether the mark gives an intuitive perception

Whether a mark is descriptive or not depends on whether the mark gives an intuitive perception as to the general and ordinary nature of the goods. A mark is not deemed descriptive if its makeup as a whole is not perceived by general traders and consumers to be a straightforward descriptive of the nature of the designated goods despite its seeming suggestion of or emphasis of the quality, effect, or use thereof.

(d) Consideration of domestic trading conditions

The determination of descriptiveness must be based on domestic general consumers and traders; registration with foreign authorities alone does not make the mark registrable.

(e) Consideration of the propagation of foreign language words

Any mark consisting of foreign language words that are not widely propagated among the Korean public or whose meaning could be recognized only upon mature deliberation or by looking it up in a dictionary, in principle, is not deemed descriptive.

(f) Irrelevance of actual use or nonuse

Since a trademark's perceived descriptiveness as to the nature of goods shared by general consumers and traders is sufficient evidence of descriptiveness, the actual, inevitable or likely use of the designated goods is irrelevant.

(4) Specific examples of descriptive marks

a. Descriptive of the origin

"Descriptive of the origin" refers to the indication of the nature of the designated goods that gives an intuitive perception into the climate, soil and other geographic conditions of a certain region.

b. Descriptive of quality

"Descriptive of quality" refers to when a mark is deemed to directly indicate the level of quality or superiority of its designated goods (Art. 8 (2) of the Guides).

c. Descriptive of raw materials

"Descriptive of raw materials" refers to when the applicable raw materials – including major parts – are deemed to be used or likely to be used for the designated goods (Art. 8 (3) of the Guides).

d. Descriptive of effect and performance

"Descriptive of effect and performance" refers to when a mark is deemed to directly indicate the performance or effect of the designated goods (Art. 8 (4) of the Guides).

e. Descriptive of the use

"Descriptive of the use" refers to when a mark is deemed to directly indicate the use of its designated goods (Art. 8 (5) of the Guides).

f. Descriptive of quantity

"Descriptive of quantity" refers to when a mark is deemed to indicate how quantity is determined in the trading community, the measuring unit perceived to be used to determine quantity, or the symbol used for the unit, all in its relation to the designated goods (Art. 8 (6) of the Guides).

g. Descriptive of shape

“Descriptive of shape” refers to when a mark is deemed to directly indicate the appearance, shape – including patterns used – or dimensions of its designated goods (Art. 8 (7) of the Guides).

h. Descriptive of the price

“Descriptive of the price” refers to when a mark is deemed to indicate the price used in practice in the trading community, the measuring unit perceived to indicate price, or the symbol used for the unit, in its relation to the designated goods (Art. 8 (8) of the Guides).

i. Descriptive of the methods for production, processing or use

“Descriptive of the methods for production, processing or use” refers to when a mark is deemed to directly indicate the methods for production, processing or use of its designated goods (Art. 8 (9) of the Guides).

j. Descriptive of time

“Descriptive of time” refers to when a mark is deemed to directly indicate the seasonality, point in time, or hours with regard to the sale or use of its designated goods (Art. 8 (10) of the Guides).

4. Famous geographical names

(1) Overview

a. Significance

The Act stipulates that any trademark consisting solely of a famous geographical name, its abbreviation or a map may not be registered (Art. 6 (1) 4 of the Act).

b. Institutional intent

The intent for prohibiting a trademark from consisting solely of a famous geographical name is to allow anyone to freely use such marks and deny any particular person the exclusive right to use it as it may not be deemed to possess distinctiveness due to it being well-known and famous.

(2) Specific details

a. Famous geographical names and their abbreviations

“Famous geographical names and their abbreviations” refers to the names of countries, Seoul, conurbations, provinces, cities, wards of Seoul, wards of conurbations, counties; and famous foreign capitals, larger cities, states, provinces or any other equivalents; and well-known domestic and foreign historic sites, tourist districts, and Main Streets (Art. 9 (1) of the Guides).

b. Maps

“Map” refers to the maps of the world (including the maps of any part thereof) or countries (including the maps of any part thereof), including both precise maps as well as those as may be generally perceived as maps (Art. 9 (2) of the Guides). Any figures that are hardly perceived as maps by general consumers, however, are excluded (Ref. 6, Art. 9 of the Guides).

c. “Consisting solely of”

Even though a trademark consists of, *inter alia*, a famous geographical name, its abbreviation or a map (hereinafter referred to as a “geographical name or its equivalent”), yet the mark may be deemed registrable if the famous geographical name, its abbreviation or a map may not be perceived as an essential part of the mark and the remainder possesses distinctiveness (Art. 9 (3)).

(3) Specific criteria

a. Personal criteria

The determination of whether a mark is a famous geographical name requires a widespread perception shared by general consumers or the trading community (Ref. 3, Art. 9 of the Guides) and must therefore be based on the average perception shared by ordinary general consumers.

b. Regional criteria

The determination must be based on the trading conditions of the goods within the country, and registration with foreign authorities alone does not make the mark as registrable.

c. Temporal criteria

Whether a geographical name is famous or not must be based on the point in time of determining registrability.

d. Miscellaneous

(a) Irrelevance of the association with the designated goods

A famous geographical name simply refers to a geographic or regional name, which does not mean it requires the name to be a badge of origin for specialty products in the region within an association between the name and the products. The geographical name, therefore, requires only famousness, not a perceived extraordinary association in its relation to its designated goods.

(b) Trademarks similar to famous geographical names

If a certain trademark is not a famous geographical name by itself, its distinctiveness and registrability as a trademark must be determined in consideration of the similarity in terms of overall visual perception, phonetics and semantic associations.

(c) Trademarks combining famous geographical names and line of business designations

The provisions of this subparagraph shall not be applicable to any names of societies, associations, research institutes or any other nonprofit organizations or companies under the Commercial Code or their abbreviations that are made by combining famous geographical names and line of business designations (Art. 9 (5) of the Guides).

5. Common surnames and designations

(1) Overview

a. Significance

The Act stipulates that any trademark consisting solely of a mark using a common surname or designation in a common manner may not be registered (Art. 6 (1) 5 of the Act).

b. Institutional intent

Any common surnames and designations are stipulated to be unregistrable from a public good perspective because their use by a large number of people translates into no distinctiveness, and the exclusive right to use them by a particular person would likely cause unpredictable damages and unfavorable consequences to a number of businesses that freely use them.

(2) Definition of a trademark consisting solely of a common surname or designation

a. Common surnames and designations

(a) Significance

“Common surname or designation” refers to a surname of such natural persons or a name designating such corporations, organizations or businesses that actually exist or is perceived to exist in a large number (Art. 10 (1) of the Guides).

(b) Combination of a common surname and a common designation

Any combination of a common surname and a designation such as “Corporation,” “Shop,” “Firm,” “Industry,” “Company,” “Society,” “Party,” “Limited,” “Union,” “Association,” “Institute,” “Chairman,” “President,” “Chairperson,” and “Chancellor” (including foreign-language designations and their translations) is deemed as a common surname or designation as well (Art. 10 (2) of the Guides).

b. (3) The meaning of “a mark using ... in a common manner”

“A mark using ... in a common manner” refers to when the mark is expressed in Korean, Chinese or Latin characters or any combination thereof (Art. 10 (2) of the Guides).

c. The meaning of “consisting solely of”

Any mark that is expressed as a common surname or designation in a graphical form or otherwise in an extraordinary manner or as a combination of such surname or designation and other distinctive marks in a manner that renders the mark as a whole distinctive, is registrable (Art. 10 (4) of the Guides).

(3) Specific criteria

a. Personal criteria

The determination of whether a mark is a common surname or designation or not is based on the average perception shared by ordinary general consumers.

b. Temporal criteria

The determination of whether a mark is a common surname or designation or not is based on the point in time of determining registrability.

c. Regional criteria

The determination must be based on the surnames and designations used within the country. The surname of any foreign national, therefore, may not be deemed as a common surname despite the commonness in his native country unless it is a surname commonly seen in Korea (Ref. 3, Art. 10 of the Guides).

d. Miscellaneous

(a) Based on the entire trademark as a whole

The determination of whether a trademark is a common surname or designation or not must be based on the entire trademark as a whole as opposed to individual components of the mark.

(b) Reference to telephone and other directories

The determination of whether a trademark is a common surname or designation or not must be based on whether the exclusive right to use it given to any particular person would be likely to cause confusion in trade or cause unpredictable damages to any other persons using the same surname or designation, and by reference to telephone and any other directories.

(c) Irrelevance of the association with the designated goods

The determination of whether a mark is a common surname or designation or not does not depend on any association with the designated goods, which is irrelevant.

6. Simple and common marks

(1) Significance and intent

The Act stipulates that any trademark consisting solely of a simple and common mark may not be registered (Art. 6 (1) 6 of the Act). The intent for this provision is that a trademark consisting solely of a simple and common mark is often non-distinctive or it is improper to allow anyone to exercise exclusive rights to it even if it is distinctive.

(2) Definition of a trademark consisting solely of a simple and common mark

a. Simple and common marks

“Simple and common mark” refers to any simple and common mark (Art. 11 (1) of the Guides). It is, therefore, not the case that any trademark consisting solely of a simple *or* common mark is unregistrable.

b. The meaning of “consisting solely of”

Any simple and common mark combined with any other distinctive mark is not deemed as a simple and common mark unless the part other than the simple and common mark merely forms a supplement or is incorporated into the simple and common mark and forms an integral part of the whole (Art. 11 (6) of the Guides).

(3) Test of applicability

a. Personal criteria

The determination of whether a trademark consists solely of a simple and common mark or not is based on the average perception shared by ordinary general consumers.

b. Temporal criteria

The determination of whether a trademark consists solely of a simple and common mark or not is based on the point in time of determining registrability.

c. Specific criteria

(a) Based on the entire trademark as a whole

The determination of whether a trademark consists solely of a simple and common mark or not must be based on the entire trademark as a whole as opposed to individual components of the mark.

(b) Irrelevance of the association with the designated goods

The determination of whether a trademark consists solely of a simple and common mark or not is based on the makeup of the trademark in itself, regardless of its designated goods.

(c) Recognition of the distinctiveness resulting from combination

Even a simple and common mark may be registrable if such mark is expressed in a graphical or monogram form and thereby recognized to create distinctiveness (Art. 11 (7) of the Guides).

7. Other non-distinctive marks

(1) Significance and intent

Other than the provisions of Articles 6 (1) 1 through 6 (1) 6, the Act also stipulates that any trademark that is incapable of distinguishing whose business is associated with certain goods may not be registered (Art. 6 (1) 7 of the Act).

(2) Test of applicability

a. Personal criteria

The provisions of Article 6 (1) 7 of the Act stipulates that a trademark not falling under Articles 6 (1) 1 through 6 (1) 6 may be unregistrable if it is incapable of distinguishing one's goods from those of others or lacks distinctiveness. Whether a trademark is distinctive or not, therefore, is determined by whether general consumers may recognize the source of goods in relation between the trademark and the goods.

b. Temporal criteria

The determination of whether a mark is non-distinctive is based on the point in time of determining registrability.

c. Miscellaneous

(a) Based on the entire trademark as a whole

The determination of whether a trademark is descriptive must be based on the entire trademark as a whole as opposed to individual components of the mark.

(b) Objective determination in consideration of the relation to the designated goods and the conditions in the trading community

As the provisions of Article 6 (1) 7 of the Act mean that any non-distinctive trademark is unregistrable even if it does not fall under Articles 6 (1) 1 through 6 (1) 6, whether a trademark is distinctive or not must be objectively determined in consideration of: the idea represented by it, its relation to the designated goods, and the trading conditions as discussed above.

- (3) Specific examples
- a. Where it is generally difficult to recognize distinctiveness due to overall visual perception
 - (i) Any mark expressed in characters that represents or is likely to be confused with a year in the Christian Era or Tangun Era
 - (ii) Any mark consisting of a photograph, print or photocopy of a natural person, natural object or cultural asset
 - (iii) Any mark consisting of a photocopy of a single side of a form or of a simple color
 - b. Where distinctiveness is not recognized due to actual use by a large number of persons
 - (i) Any mark expressed in generally used slogans, watchwords, greetings, personal pronouns or catchwords
 - (ii) http://, www, @
 - c. Where it is deemed to be not in the best interest of the public to allow any particular person to have exclusive rights
 - d. Where a consumer may not identify whose business is associated with the goods
Any mark used to mean a place for the concentration, sale or manufacturing of goods or the provision of services, is deemed non-distinctive as in such typical examples as: “Land,” “Mart,” “Club,” “Plaza,” “World,” “Outlet,” “Depot,” “Village,” “Yard,” “Ville,” “Bank,” “House,” “City,” “Town,” and “Park.”

IV. Treatment of non-distinctive marks under the Trademark Act

1. Pre-registration

Since any non-distinctive mark fails to meet the general requirements for a trademark, the mark calls for the denial of registration (Art. 23 (1) 1 of the Act), the provision of information (Art. 22 (3) of the Act), and the raising of an opposition (Art. 25 (1) of the Act).

2. Post-registration

(1) Grounds for the invalidation of trademark registration

If any trademark consisting solely of a non-distinctive mark was erroneously registered at the time of determining registrability, it is a non-time barred ground for invalidation (Art. 71 (1) 1 of the Act). Furthermore, any trademark that was duly registered as a

distinctive trademark at the time of determining registrability but has lost its distinctiveness due to the neglected management of the mark or otherwise since the registration results in grounds for invalidation as well.

(2) Limited effect of trademark rights

If any trademark was a mark consisting solely of a generic mark, descriptive mark, famous geographical name, its abbreviation, or map in the first place but erroneously registered, then the exclusive effect of the rights is limited with respect to any mark using said generic mark, descriptive mark, famous geographical name, and so forth in a common manner (Art. 51 of the Act).

V. Trademarks that acquired distinctiveness by its use

1. Overview

(1) Significance

Since the Act aims to protect the goodwill arising from the use of a trademark capable of distinguishing one's own product and those of others (Art. 1 of the Act), it does not permit the registration of a non-distinctive trademark (Art. 60 of the Act). An inherently non-distinctive trademark, however, may deserve protection as a trademark and exceptionally permitted to be registered in view of the elements of the "prior use" principle. The "prior use" principle states that if the mark has been used by a particular person as a mark for his goods for a long enough period of time and thereby acquired distinctiveness as a trademark indicating the source among traders and/or consumers (Art. 6 (2) of the Act).

(2) Institutional intent

If an inherently non-distinctive trademark has been exclusively used by a particular person on a continual basis and thereby recognized as said person's trademark among traders and/or consumers, then it already serves as a trademark with no necessity to assure free use by competitors for the public good anymore. Permitting said trademark to be registered, therefore, meets the intended purpose of the Act – the protection of interests of trademark users and general consumers – and its distinctiveness is recognized *ex post facto*.

2. Requirements of acquired distinctiveness

- (i) The mark must have been used as a trademark prior to the application for trademark registration.
- (ii) The mark must have been well recognized as distinguishing whose business is associated with certain goods among consumers as a result of its use before the application for registration.

- (iii) Such mark and goods as actually used must be identical to such mark and goods as set forth in the application.
- (iv) Supporting documents must be submitted.

3. Specific criteria

(1) Personal criteria

The determination must be based on the average perception as associated with the designated goods and shared by ordinary general consumers.

(2) Temporal criteria

Since Article 6 (2) of the Act requires the mark to be “well recognized as distinguishing whose business is associated with certain goods among consumers as a result of its use before the application for registration,” the determination of whether the mark has acquired distinctiveness by use is based on the time of the application for registration. Courts, however, take a view that the determination of acquired distinctiveness must be based on the time of determining registrability rather than on the time of application.

(3) Regional criteria

The determination must be based on the trading conditions of the applicable goods within the country. The registration with foreign authorities relying on distinctiveness acquired by use alone, therefore, does not necessarily establish distinctiveness acquired by use or registrability within Korea.

(4) General considerations

Distinctiveness acquired by use must be relatively determined according to trading conditions and in a comprehensive view of: (i) the makeup of a trademark itself, (ii) the necessity for said mark to be freely used by the public or competitors, (iii) the actual state of use, period of use, region of use, and methods for use of said mark as well as its relation with its designated goods.

4. Effect of acquired distinctiveness

(1) Granting of trademark registration

If a trademark is established to have acquired distinctiveness by use, no provisions of subparagraphs of Article 6 (1) are applicable; therefore, the mark is registrable if other procedural requirements are met and no other grounds for denial exist.

(2) Effect of trademark registration

As is the case with ordinary registered trademarks, valid trademark rights arise from acquired distinctiveness, which allows the trademark owner to have exclusive rights to

use the registered trademark in relation to its designated goods. Although views are divided into a positive theory and a negative one as to whether even trademarks with distinctiveness acquired by use have a limited effect of trademark rights under the provisions of Article 51 of the Act, the effect of trademark rights should not be deemed limited as long as the mark has acquired distinctiveness because the actual interest of trademark registration would vanish otherwise. Commonly-held opinions and court cases take the same view as well.

SEC. 2 UNREGISTRABLE TRADEMARKS

I. Outline

Article 7 (1) of the Act provides a list of grounds for refusal of registration, on which registration may be refused in such cases that may be deemed necessary for reasons for public interest and adjustment of private interests even if a trademark meets constituent requirements thereof (Art. 2 (1) of the Act) as well as positive requirements for registration under the provisions of Article 6 of the Act.

II. Grounds for refusal of registration under the Act

1. Trademarks identical or similar to national flags and emblems

(1) Overview

a. Significance

The Act sets forth, notwithstanding the provisions of Article 6 of the Act, a series of unregistrable trademarks: those identical or similar to the national flag, national emblem, colors, medals, decorations, or insignias of the Republic of Korea; any national flags or emblems of any foreign country; any medals, decorations or insignias of any contracting party to the Paris Convention for the Protection of Industrial Property (hereinafter referred to as the “Paris Convention”), any member state of the World Trade Organization, or any contracting party to the Trademark Law Treaty; any names or marks of the Red Cross, the Olympics, or well-known international organizations; or any seals or signs used for supervision or certification purposes by the Republic of Korea, any contracting party to the Paris Convention, any member state of the World Trade Organization or any contracting party to the Trademark Law Treaty, or any public organizations of such states (Art. 7 (1) of the Act).

b. Institutional intent

The intent is to maintain the dignity of the state represented by the national flag and emblem as well as medal or decoration awardees, protect international good faith, and

prevent any confusion or misunderstanding as to any falsely perceived affiliation between the trademark user and certain public bodies. Since the seals or signs used for supervision or certification purposes involve strong quality assurance functions to maintain the authority of said supervision or certification, the registration of marks identical or similar thereto is not permitted to protect consumers.

(2) Specific details

a. The national flag, national emblem, colors, medals, decorations, or insignias of the Republic of Korea

“National flag,” “national emblem,” and “medals and decorations” refer to those as set forth in, respectively, the Regulations on the National Flag of the Republic of Korea, the Regulations on the National Coat of Arms, and the Decoration Act as well as the Enforcement Decree thereof; colors include the colors, standards and guidances used by the Army, Navy and Air Force branches as well as their subdivisions; and “insignias” refer to any commendations other than medals and decorations that are awarded by state organizations (Art. 15 (1) of the Guides). In addition, this subparagraph shall be applicable to any marks including the figure of the Rose of Sharon, the national flower of Korea, that are identical or similar to the national emblem, national flag or medal of the Republic of Korea; provided that a mark that includes the figure of the Rose of Sharon but may not be perceived as a national flag, colors or medal, however, must be treated by reference to the provisions of Article 7 (1) 2 of the Act (Ref. 1, Art. 15 of the Guides).

b. National flags and emblems of foreign countries

“Foreign country” refers to any of states other than the Republic of Korea, which include any and all sovereign organizations having substantial territories, members and sovereign power, regardless of whether the Republic of Korea recognizes the same as independent states. The State of the Vatican City or any other states similar thereto are deemed to be included as well (Art. 15 (2) of the Guides).

c. The medals, decorations or insignias of any contracting party to the Paris Convention, any member state of the World Trade Organization, or any contracting party to the Trademark Law Treaty

Besides the medals, decorations and insignias recognized by KIPO *ex officio*, only those notified by the contracting parties under the provisions of Article 6-3 (3) a of the Paris Convention via WIPO Secretariat are applicable.

d. The names or marks of the Red Cross, the Olympics, or well-known international organizations

The names and marks of the Red Cross include those identical or similar to a red cross on white background, the Red Cross and the Genovese Cross. Additionally, well-

known international organizations include: the UN and its sub-organizations; the EU, the WTO, OPEC and such other inter-state organizations as generally recognized in the international community; and other international organizations recognized by KIPO (Ref. 4, Art. 15 of the Guides); as well as such non-government organizations as organized not under inter-government agreements and international private organizations.

- e. The seals and signs used for supervision or certification purposes by the Republic of Korea, any contracting party to the Paris Convention, any member state of the World Trade Organization or any contracting party to the Trademark Law Treaty, or any public organizations of such states

The phrase include the seals and signs used for supervision or certification purposes by the Republic of Korea, any contracting party to the Paris Convention, any member state of the World Trade Organization or any contracting party to the Trademark Law Treaty, as well as the central and local administrative bodies, other local bodies of government, public associations, publicly-owned establishments (*établissements publics*), their representative or affiliated agencies within such states.

In addition, “the seals or signs used for supervision or certification purposes” refers to any marks used by domestic and foreign public organizations to manage, control or certify the standards or quality of goods (Art. 15 (6) of the Guides)

- f. Identical or similar

The notion of similar marks as set forth in this subparagraph is broadly interpreted, and any such marks as generally perceived to mean the marks set forth in this subparagraph is deemed sufficiently similar; and any marks expressed in letters identical or similar to the names of the marks set forth in this Article are also deemed to be identical or similar marks as set forth in this subparagraph (Art. 15 (4) of the Guides).

- g. Marks as set forth in this Article are limited to those currently existing

Court cases also hold a view that the definition of ‘well-known international organizations as set forth in this subparagraph’ requires, in principle, that said organizations exist at the time of the determination of registrability and must be well-known on an international level with respect to its makeup and activities, and that any organizations that have long been dissolved and be engaged in no activities at such time is not included therein.

2. Trademarks falsely suggesting a connection with or bringing a state into contempt

(1) Overview

a. Significance

The Act stipulates that any trademark that is likely to falsely suggest a connection with, disparage, or bring into contempt or disrepute any state, race, ethnic group, public organization, religion or famous deceased person, should not be registrable, notwithstanding the provisions of Article 6 of the Act (Art. 7 (1) 2 of the Act).

b. Institutional intent

The intent is to protect international good faith by acknowledging the authority and dignity of the state, race and said persons and protect the honor and good name of famous deceased persons.

(2) Specific details

a. State, race, ethnic group, public organization, and religion

“State” refers to any country, including both the Republic of Korea and foreign countries. “Foreign country” in this context includes any and all sovereign organizations having substantial territories, members and sovereign power, regardless of whether the Republic of Korea recognizes the same as independent states. The State of the Vatican City or any other states similar thereto are all included in foreign countries as well (Ref. 1, Art. 16 of the Guides). “Public organization” includes any local bodies of government, public associations, publicly-owned establishments, their representative and affiliated agencies, and state governments and their affiliated bodies (Art. 16 (1) of the Guides).

b. Famous deceased person

“Famous deceased person” includes such deceased ones as generally recognized by general consumers as well as such ones as generally recognized in the trading community in relation to designated goods (Ref. 2, Art. 16 of the Guides), regardless of their nationality.

c. False suggestion, disparagement, contempt and disrepute

If a trademark in itself as well as the use of said mark in relation to the designated goods is deemed, in the generally accepted view, likely to cause false suggestion, disparagement, contempt or disrepute, then that is sufficient grounds for unregistrability regardless of the applicant’s purpose or intent (Ref. 3, Art. 16 of the Guides).

(3) Specific criteria

As for temporal criteria, the applicability is limited to things currently existing as of the time of determining registrability. As for subjective criteria, the determination is based

on the average perception as shared by general consumers or the members of the trading community associated with the designated goods. The determination of the applicability of this subparagraph also requires sufficient consideration of the stance and sentiment of the applicable state, race, ethnic group, public organization, and members of the religion, or bereaved family (Ref. 4, Art. 16 of the Guides).

3. Trademarks identical or similar to marks of public organizations

(1) Overview

a. Significance

Any trademark that is identical or similar to any famous mark representing a nonprofit business or nonprofit public operation of any state, public organization, its agency or non-profit foundation is not registrable, notwithstanding the provisions of Article 6 of the Act unless the applicable state or organization applies for the registration of its mark (Art. 7 (1) 3 of the Act).

b. Institutional intent

The intent of this provision is to safeguard the goodwill and authority of non-profit foundations having famous business emblems and protect the general public from the likely confusion as to the source of goods when said emblems are used in relation to goods.

(2) Specific details

a. State, public organization, its agency or non-profit foundation

“State” refers to any country, including both the Republic of Korea and foreign countries. “Foreign country” in this context includes any and all sovereign organizations having substantial territories, members and sovereign power, regardless of whether the Republic of Korea recognizes the same as independent states. The State of the Vatican City or any other states similar thereto are all included in foreign countries as well (Ref. 1, Art. 16 of the Guides). “Public organization” includes any local bodies of government, public associations, publicly-owned establishments, their representative and affiliated agencies, and state governments and their affiliated bodies (Art. 16 (1) of the Guides) as well as foreign public organizations. Furthermore, “non-profit foundation” excludes public juridical persons and refers to those juristic persons established under the provisions of Article 32 of the Civil Code whose primary purpose is to serve the public interest (Ref. 1, Art. 17 of the Guide), which also includes foreign non-profit foundations.

b. Nonprofit business or nonprofit public operation

“Nonprofit business or nonprofit public operation” includes those businesses and non-profit public operations whose primary purpose is nonprofit despite their incidental for-profit activities such as the charging of rates or fees, if any (Art. 17 (3) of the Guides)

c. Famous

“Famous” is used to denote such marks and organization names as widely recognized in the generally accepted view or in the trading community (Art. 17 (4) of the Guides).

(3) Specific criteria

As for temporal criteria, the applicability is limited to things currently existing as of the time of determining registrability (Ref. 4, Art. 17 of the Guides). Although this subparagraph is not applicable when State, public organization, its agency, non-profit foundation or nonprofit public operation applies for the registration of its mark, this subparagraph is applicable and therefore registration is denied when another person applies thereof with the consent or authorization given by any of the above entities (Ref. 3, Art. 17 of the Guides).

4. Trademarks contrary to morality or public order

(1) Overview

a. Significance

The Act stipulates that a trademark is unregistrable, notwithstanding the provisions of Article 6 of the Act, if the trademark in itself or the significance of the use of the mark in relation to goods is likely to be contrary to good morals or undermine public order (Art. 7 (1) 4 of the Act).

b. Institutional intent

The intent of this provision is to protect the public interest and maintain the sense of morality among the public despite the distinctiveness of a trademark.

The amendment to the Act in January 1997 made this provision unambiguous such that this provision – having the nature of general law with respect to the protection of well-known and famous marks – may not overlap with a number of other provisions of Articles 7 (1) 6 and 7 (1) 9 through 12.

(2) Specific details

a. Trademarks and public order

Public order is a concept encompassing the order of public law, international trust and general order of society as well as fair and equitable trading order, the dignity and value of man, the assurance of equal rights, and other fundamental order of free democracy (Art. 18 (1) of the Guides). Accordingly, it is necessary to determine the likelihood of the significance of the trademark in itself or the use of the mark in relation to goods to undermine public order.

b. Trademarks and good morals

Good morals is a concept encompassing traditional and established social morals and good customs, and other generally accepted social ethics and moral order as well as the public morals to be adhered to by free citizens (Art. 18 (2) of the Guides). For all practical purposes, any trademark consisting of radical slogans or any mark that may leave an obscene impression, or sexual arousal or offense to the public depending on the manner of reading or viewing letters or figures, is deemed a trademark contrary to good morals (Ref. 4, Art. 4 of the Guides). Accordingly, it is necessary to determine the likelihood of the significance of the trademark in itself or the use of the mark in relation to goods and whether it is contrary to good morals or the ordinary sense of morality shared by the public.

c. Specific examples

- (i) where the use of the trademark is prohibited by or contravenes other laws;
- (ii) where the mark denies the fundamental order of free democracy;
- (iii) where the makeup of the trademark consists of radical slogans or leaves an obscene impression;
- (iv) where the trademark is a term corresponding to a criminal offense or undermines the sense of public morality;
- (v) where the trademark encourages superstition, distrust or regionalism among the public; and
- (vi) where the registration of the trademark of a legal entity or organization is applied for by an individual or the mark may be misunderstood for that of a nonprofit foundation or research agency by consumers.

(3) Specific criteria

The determination is based on the average perception as shared by general consumers in terms of subjectivity as well as at the time of determining registrability for temporal terms (Ref. 12, Art. 18 of the Guides). In addition, since contrariety to morality or public order is a relative concept, authorities must determine whether the trademark or its significance goes against public interests and the general sense of morality, depending on the generally accepted view of the times. This subparagraph remains applicable, whether the offending part forms an essential part or a supplement, and whether the significance of the trademark in itself or the use of the mark in relation to goods is in question.

(4) Related problem: Infringing trademarks for unfair competition purposes

Views were divided in both the academic community and court cases as to whether this subparagraph of the Act should be applicable or not to the application for the registration of a trademark identical or similar to others' trademark that is not deemed to be sufficiently widely known as a particular person's trademark or goods within the country.

The amendment to the Act in January 2007, however, limited the applicability of this

subparagraph such that it may not be applicable to the applications filed for unfair competition purposes.

5. Trademarks identical or similar to a medal or certificate of merit awarded at exhibitions

(1) Overview

a. Significance

The Act stipulates that any trademark that is identical or similar to a medal, certificate of merit or decoration awarded at an exhibition held by or with the authorization of the government of the Republic of Korea or a foreign country, should not be registrable, notwithstanding the provisions of Article 6 of the Act (Art. 7 (1) 5 of the Act); provided, however, that said trademark is exceptionally deemed registrable where a person who has been awarded a medal, certificate of merit or decoration has used it as a part of his trademark on the same goods for which such medal, certificate of merit or decoration was awarded at the exhibition (the proviso of Art. 7 (1) 5 of the Act).

b. Institutional intent

The intent of this provision is to safeguard the authority of the awards received in exhibitions and protect the interests of general consumers by preventing confusion or misunderstanding as to the source or quality of goods.

(2) Specific details

a. Held by or with the authorization of the government of the Republic of Korea or a foreign country

“the authorization of the government of the Republic of Korea or a foreign country” refers to approval, permission, license, acknowledgement, recognition, permission, or any other act by the government of giving authority or permitting regardless of which term is used (Art. 19 (1) of the Guides).

b. Exhibition

“Exhibition” should be broadly interpreted as shows, expositions, fairs and contests (Art. 19 (2) of the Guides). More specifically, examples include: (i) exhibitions held by the government of the Republic of Korea, (ii) exhibitions held with the authorization of the government of the Republic of Korea, (iii) exhibitions held by a foreign government, and (iv) exhibitions held with the authorization of a foreign government.

c. Medal, certificate of merit or decoration

“Medal, certificate of merit or decoration” refers to any medals for distinguished service, letters of commendation, citations, or any other certificates or memorial tablets awarded by the organizer of an exhibition (Art. 19 (3) of the Guides).

d. Exceptions to applicability

A trademark is exceptionally deemed registrable where a person who has been awarded a medal, certificate of merit or decoration (including any successors to the awardee) has used it as a part of his trademark on the same goods for which such medal, certificate of merit or decoration was awarded at the exhibition (the proviso of Art. 7 (1) 5 of the Act). Thus, this proviso is limited to those goods for which awards were given at the exhibition, the mark is not registrable in relation to other goods similar to said goods. “Used it as a part of his trademark” refers to the case where it is used as an essential part of or supplement to the trademark, and the mark is not deemed registrable if it is used as the entirety or dominant part of the trademark (Art. 19 (4) of the Guides).

(3) Specific criteria

As for temporal criteria, the determination is based on the time of determining registrability. The judgment of the applicability of this subparagraph requires a review of: whether the exhibition in question was approved by the government, whether a medal, certificate of merit or decoration has been awarded at the exhibition, and whether said award is consistent with the trademark applied for.

6. Trademarks containing the names or titles of famous persons

(1) Overview

a. Significance

The Act stipulates that any trademarks containing the name, title, trade name, portrait, signature, seal, famous pseudonym, professional name or pen name of well-known persons, or an abbreviation thereof, should not be registrable, notwithstanding the provisions of Article 6 of the Act (Art. 7 (1) 6 of the Act); provided, however, that said trademark is exceptionally deemed registrable where the consent of the person concerned has been obtained (the proviso of Art. 7 (1) 6 of the Act).

b. Institutional intent

As for the intent of this provision, there are theories such as: the theory of prevention of confusion that it is intended to prevent the confusion as to the source arising from the unauthorized use of famous persons; the theory of protection of personality rights that it is intended to protect the personal rights of others; and the eclectic theory. Generally, held opinions coincide with the theory of protection of personality rights in that the mark is registrable with the consent of the applicable person, the statute of limitations is three years for requests for an invalidation proceeding against erroneous registration, and the right of name generally involves elements of personality rights.

(2) Specific details

a. Famousness

The level of famousness is the degree to which the name may be widely recognized in the generally accepted view or in the trading community (Art. 20 (2) of the Guides).

b. Person

Person refers to both currently existing natural persons and juristic persons (including organizations without juridical personality) and includes both Korean and foreign nationals (Art. 20 (1) of the Guides).

c. Name, title, trade name, or an abbreviation thereof

This subparagraph is deemed applicable to when the name, title, trade name, portrait, signature, seal, famous pseudonym, professional name or pen name of well-known persons, or an abbreviation thereof is included as a supplement of a trademark (Ref. 2, Art. 20 of the Act).

d. Exceptions to applicability

A trademark containing the name of a famous person may be exceptionally deemed registrable where the consent of said person has been obtained (the proviso of Art. 7 (1) 6 of the Act); provided, however, that if the name or title of the applicant is identical to those of a famous person, then the consent of said famous person is required (Art. 20 (3) of the Guides).

(3) Specific criteria

To prevent any undue and unfavorable conditions to the applicant, the question of famousness is determined based on the time of application (Art. 7 (2) of the Act). In addition, the question of whether a trade name is famous must be dependent on the period, method, mode and quantity of use of the trade name as well as the scope of trade, trading conditions and whether said trade name is widely known among the public, regardless of whether the famous person feels unpleasant or the trademark has infringed on the personality rights of others in the generally accepted view (Ref. 5, Art. 20 of the Guides). To prevent any undue and unfavorable conditions to the applicant, the question of famousness is determined based on the time of application (Art. 7 (2) of the Act; revised Jan. 2007).

7. Trademarks identical or similar to another person's registered trademark

(1) Overview

a. Significance

The Act stipulates that any trademarks that are identical or similar to another person's trademark registered upon a prior application and that are to be used on goods identical

or similar to the designated goods should not be registrable, notwithstanding the provisions of Article 6 of the Act (Art. 7 (1) 7 of the Act).

b. Institutional intent

As for the intent of this provision, there are theories such as: the theory of protection of private interests that is intended to protect the proprietary and exclusive trademark rights of the owner of prior registered trademarks; the theory of protection of public interests that is intended to prevent the likelihood of misunderstanding and confusion as to the source of goods among consumers that may arise from duplicate registration of identical or similar trademarks that infringe on each other as identical or similar goods; and the eclectic theory. Generally, held opinions coincide with the eclectic theory in that the statute of limitations is five years to request for an invalidation proceeding and duplicate registration is not permitted even with the consent of prior registration holder.

(2) Specific details

a. Another person's trademark registered upon a prior application

(a) Prior application

Since the trademarks covered in this subparagraph are the trademarks registered upon a prior application, this subparagraph is not applicable to any prior-registered trademarks upon a later application.

(b) Another person

“Another person” refers to another legal entity, and this provision is applicable to the case between a corporation and its representative director or between two different affiliates having the same representative director.

(c) Registered trademark

Since this provision is exclusively applicable where the cited trademark is a registered trademark, the provisions of Article 8 of the Act (Prior application) are applicable where another person's prior application for registration is pending.

b. Identical or similar to other trademarks

The identicalness or similarity between trademarks involves examining the overall visual perception, phonetics and semantic associations of two different trademarks used in relation to identical or similar goods objectively, in their entirety and in a non-side-by-side manner, and determining the likelihood of a misunderstanding or confusion as to the source of the respective designated goods as intuitively perceived by general consumers of the two trademarks.

In the case of composite marks, however, although it is a general rule to conduct holistic examination, here we selectively apply examination of essential features.

Examination of essential features entails taking out of consideration non-distinctive features and supplementary parts and instead extracting and examining essential and distinctive features noticed by consumers. Also, in isolated examination certain components of trademarks are examined in isolation unless the components are inseparably integrated to the point that it would be unnatural to examine the components in isolation; this is parallel with holistic examination to reach appropriate conclusions thereof.

c. Identical or similar to other goods

The classification of goods under the provisions of Article 6 of the Enforcement Regulations of the Act does not set forth the extent of similarity of goods (Article 10 (3) of the Act). On the working level of KIPO, however, the question of similarity of goods is determined, in principle, in accordance with the Criteria for the Examination of Similar Goods and Services as prescribed by KIPO under the provisions of Item B of the general remarks of the Schedules 1 and 2 of the Enforcement Regulations of the Act (Art. 21 (7) of the Guides).

Meanwhile, the Supreme Court of Korea holds a consistent view that “[a]s the classification of goods is made for convenience purposes with respect to trademark registration and does not statutorily set forth like goods, two different goods being classified in the same class alone does not warrant a conclusion that they are like or similar goods.” With respect to the similarity of goods, the Court also takes a view that “[i]t is necessary to examine: the consistency in terms of the raw material, use, and features of respective designated goods; the technical consistency in terms of applications, structure and production processes; whether designated goods are finished products or merely part of products; the consistency in terms of producers, sellers and selling stores; and other trading conditions.”

(3) Specific criteria

a. Personal criteria

The determination is based on the perspective of average consumers, which considers who the primary consumers of the goods in relation to which the mark is used are as well as other trading conditions.

b. Temporal criteria

The provision of this subparagraph is applicable based on the time of application; provided, however, that in determining whether the applicant falls under another person under this provision, is based on the time of determining registrability or the time of rendering a proceeding decision (Art. 7 (3) of the Act).

8. Trademarks identical or similar to another person's trademark to which rights have lapsed for less than one year

(1) Overview

a. Significance

The Act stipulates that any trademarks identical or similar to another person's registered trademark to which rights have lapsed (or invalidated by a final proceeding decision) less than one year should not be registrable, notwithstanding the provisions of Article 6 of the Act if said trademarks are to be used in relation to goods identical or similar to the goods in which said registered trademark is used (Art. 7 (1) 8 of the Act).

b. Institutional intent

The intent of this provision is to prevent any confusion resulting from the memory and goodwill remaining among consumers about one year after the lapse of a trademark that was registered upon a prior application. Furthermore, this affords the previous owner the opportunity to recover his rights.

(2) Applicability requirements

a. Another person's trademark rights must have lapsed

(a) Another person

Since this provision is applicable only where another person's trademark rights have lapsed, one could immediately reapply for the registration of his own trademark even on the same day on which it lapses unless otherwise restricted by the provisions of Article 7 (5) of the Act.

(b) Lapse of trademark rights

The lapse of trademark rights refers to lapse in its broadest sense, including but not limited to the expiry of the duration of registration, deregistration due to abandonment, lack of registration transfer to an heir within three years of the death of a trademark owner, lapse due to the failure to register reclassification of goods, invalidation of registration, or a final decision ordering cancellation (Art. 22 (1) of the Guides).

b. Application must be within one year of the lapse of trademark rights

The filing in question must be within one year of the day on which the trademark rights lapsed.

c. Identicalness or similarity of trademarks and goods

Since this provision is ultimately intended to prevent confusion as to the source, its applicability is limited to where the trademark applied for is identical or similar to another person's registered trademark used in relation to identical or similar designated goods.

(3) Exceptions to applicability

- (i) where another person's registered trademark in question has not been used for one year or more until the lapse of trademark rights;
- (ii) where registration is intended to protect a legitimate trademark owner;
- (iii) where no application for renewed registration has been filed within six months of the expiry of the duration of registration;
- (iv) where plaintiff of a cancellation proceeding applies for trademark registration under the provisions of Articles 8 (5) and 8 (6) of the Act; and
- (v) where an application for trademark registration is filed after the period in which plaintiff of a cancellation proceeding may obtain trademark registration under the provisions of any subparagraph of Article 8 (5) of the Act.

9. Trademarks identical or similar to a well-known trademark

(1) Overview

a. Significance

Although the first-to-file principle and the principle of registration adopted by Korean trademark law afford the protection under the Act to registered trademarks only, any trademark that is well known among consumers as indicating the goods of a particular person – technically referred to as a “well-known trademark” – is also protected in a limited manner as a registered trademark under the Act regardless of whether it is registered or not, and the registration of any marks identical or similar to any well-known trademark used in relation to identical or similar goods is prohibited (Art. 7 (1) 9 of the Act). This provision, therefore, may be seen as having the nature of the “prior use” principle and being an exception to the first-to-file principle.

b. Institutional intent

Views diverge on the intent of the provision of this subparagraph. Theories supporting the institutional intent include: the theory of prevention of confusion, the theory of protection of current use, and the eclectic theory. This provision has a nature of protection of private interests in that the erroneous registration of a well-known trademark is a time-barred grounds for invalidation (Art. 76 (1) of the Act) not grounds for refusal of the application for renewed registration (Art. 45 (1) of the Act). This provision also possesses a nature of protection of public interests in that the examining attorney is deemed to have standing to file for an invalidation proceeding and registration is not permissible even with the consent of the owner of the well-known trademark; the Trademark Act of Korea and court cases, therefore, coincide with the eclectic theory.

(2) Applicability requirements

- a. There must exist a trademark that is well known among consumers that indicate the goods of another person.

“Trademark that is well known” refers to any trademark that is widely perceived among consumers as indicating the source of goods (Art. 23 (2) of the Guides).

b. Identicalness or similarity of trademarks and goods

As is the case with Article 7 (1) 7 of the Act, the trademark and goods must all be identical or similar.

(3) Test of whether something is well-known

a. Specific criteria

(a) Personal criteria

To establish whether something is “well-known” one must determine this based on the perception of the traders and consumers of the goods. “Consumers” in this context includes not only end consumers but also intermediate consumers, that is, consumers of intermediary goods such as raw materials, machinery and parts required for the production of end products as well as the sellers and retailers selling the goods in question (Art. 23 (1) of the Guides).

(b) Regional criteria

It is irrelevant whether the regional scope for a well-known trademark is the entire country or a certain limited area; provided, however, that the regional scope must be determined in sufficient consideration of the relation to the designated goods (Ref. 4, Art. 23 of the Guides). In addition, any well-known trademark must be well-known, in principle, within the country.

(c) Temporal criteria

This subparagraph requires a well-known trademark to be well-known both at the time of application and at the time of determining registrability; provided, however, the determination of whether the applicant falls under another person under this provision, is based on the time of determining registrability or the time of rendering a proceeding decision (Art. 7 (2) of the Act; revised Jan. 2007).

b. Methods for determination

To determine whether a trademark is well-known or not, during the practice of examination it must be determined that said trademark is objectively generally known among consumers, in consideration of the period, method, mode, quantity of use thereof as well as extent of trading and other conditions. The period of use, quantity of use and extent of trading, however, may not be uniformly measured but instead requires the review of: the density of use of traded quantities, the level of monopoly in goods, the level of sales, and other conditions. As for the methods for use or mode of use, the trademark should be advertised in newspapers, magazines, radio, TV, the Internet, exhibitions and

other media and should be widely known among consumers; if so, it is deemed sufficient even though the mark is not actually used in relation to the goods.

10. Trademarks that are likely to cause confusion with famous goods or services

(1) Overview

a. Significance

Although the first-to-file principle and the principle of registration adopted by Korean trademark law allow such trademark that is applied for first to be registered and is thereby afforded protection under the Act. Any trademark that is likely to cause confusion with another person's goods or services as well known among consumers should be unregistrable, notwithstanding the provisions of Article 6 of the Act (Art. 7 (1) 10 of the Act).

b. Institutional intent

In line with the trend toward business diversification and breaking away from the perfunctory concept of similarity, the provision of this subparagraph aims to preclude the registration of any trademarks that are likely to cause confusion with famous trademarks, in the interest of the public. The intent is to prevent misunderstanding or confusion with famous goods or services rather than protect the business owners using famous trademarks, as the actual victims of such misunderstanding or confusion would be general consumers than said owners.

(2) Applicability requirements

a. Well known among consumers

Famousness requires that the trademark be known among, not only the relevant traders and consumers, but also general consumers across different goods or services.

b. Another person's goods or services

Although as is the case with well-known trademarks, another person in this context implies a perception as to a particular source, yet it does refer to an abstract being as an anonymous source which requires no knowledge as to who owns the famous mark in question.

c. Likely to cause confusion

"Confusion" in its inherent sense refers to the misunderstanding of goods that are identical, or the disagreement between a perception and a fact. In this context, however, the scope of confusion spans not only to identical or similar goods but also dissimilar goods and services.

(3) Test of famousness and likelihood of confusion

a. Specific criteria

(a) Personal criteria

Famousness and likelihood of confusion must be determined based on the perception of the traders and consumers of the goods. “Consumers” in this context includes not only end consumers but also intermediate consumers, that is consumers of intermediary goods such as the raw materials, machinery and parts required for the production of end products as well as the sellers and retailers selling the goods in question (Art. 24 (1) of the Guides *mutatis mutandis*, Art. 23 (1) of the Guides).

(b) Temporal criteria

This subparagraph requires that the trademark and the confusion associated to it be famous and likely both at the time of application and at the time of determining registrability; provided, however, the determination of whether the applicant falls under another person’s trademark under this provision, is based on the time of determining registrability or the time of rendering a proceeding decision (Art. 7 (2) of the Act; revised Jan. 2007).

(c) Regional criteria

It is irrelevant whether the regional scope for a famous trademark is the entire country or a certain limited area (Ref. 3, Art. 24 of the Guides).

b. Methods for determination

(a) Test of famousness

The question of famousness of a trademark is not a matter of law but of fact. The *prima facie* criteria is whether the trademark is deemed famous in the generally accepted view, taking into consideration the use and supply of the trademark, the period, method and mode of business activities, the extent of trading, and other conditions.

(b) Test of the likelihood of confusion

The determination of whether a trademark is likely to cause confusion with another person’s goods or services, requires a comprehensive consideration of the well-knownness of such other person’s trademark (the level of advertising or propagation, annual sales, or the market share), the creativity of said trademark, whether said trademark consists of a trade name, and the lines of business engaged by the business in question (Art. 24 (4) of the Guides). The extent of confusion spans not only identical or similar goods but also dissimilar goods and services.

11. Trademarks that are likely to cause misunderstanding or deception as to the quality of goods

(1) Overview

a. Significance

Article 7 (1) 11 of the Act stipulates that any trademark that is likely to deceive consumers or cause the quality of goods to be misunderstood shall be unregistrable, notwithstanding the provisions of Article 6 of the Act.

b. Institutional intent

This provision is intended to maintain sound market order and prevent unfavorable influence on general consumers that may arise from misunderstanding the quality of goods or confusion as to the source thereof, by protecting the quality assurance function and the source indication function of trademarks.

(2) Trademarks that are likely to cause misunderstanding of the quality of goods

a. Significance

“Cause misunderstanding of the quality of goods” includes, not only the misunderstanding resulting from the overall visual perception, phonetics and semantic associations of a trademark, but also the misunderstanding of goods themselves.

b. Mode

(a) Misunderstanding of goods themselves

It refers to the case where a trademark used in relation to its designated goods is likely to cause general consumers to misunderstand said goods as other goods. An example of this would be a trademark “Vodka” applied for registration in relation to *soju*, thus creating the likelihood of misunderstanding of soju as vodka.

(b) Misunderstanding as to the quality of goods

Misunderstanding as to the quality of goods refers to the case where goods in question are likely to be misunderstood as having certain level of quality by consumers, regardless of whether said level of quality exists in said goods or not, whereas misunderstanding of goods refers to the case where said goods are likely to be misunderstood as other goods by consumers in relation to the designated goods.

c. Specific criteria

(a) Temporal criteria

As this provision is intended from a public good perspective of the protection of market order, the determination is based on the time of determining registrability (Ref. 2, Art. 25 of the Guides).

(b) Reliance on the components of the trademark

The question of likelihood of misunderstanding as to quality must be determined in reliance on the components of the trademark as well as upon comprehensive examination of the trademark as a whole; provided, however, that it is irrelevant whether the source of misunderstanding as to quality is an essential feature of the said trademark or not (Ref. 1, Art. 25 of the Guides).

(c) Consideration of the conditions in which the goods bearing the trademark are used

The conclusion that a certain trademark is likely to cause misunderstanding as to the quality of goods requires the establishment of any of the following facts: that the goods perceived by consumers as associated with the trademark and the goods actually bearing it belong to the same type of goods; that the two groups share the same raw materials, use, visual perception, manufacturing methods, or distribution channel; and that the characteristics of the goods may create confusion in trading (Ref. 5, Art. 25 of the Guides).

(3) Trademarks that are likely to deceive consumers

a. Significance

Likely to deceive consumers refers to the case where a trademark or goods are likely to be misunderstood as a trademark or goods of another business, be it domestic or foreign, by consumers, and it is irrelevant whether the applicant is willing to deceive or not (Art. 25 (3) of the Guides).

b. Specific criteria

(a) Temporal criteria

Preclusion of the registration of trademarks that are likely to deceive consumers is intended from a public good perspective, the determination is based on the point in time of determining registrability.

(b) Existence of a cited trademark

Court cases dictate that the likelihood of deceiving consumers requires the existence of a cited trademark at all times. A cited trademark that is perceived as a particular person's trademark by general consumers or traders and share identical or similar designated goods, therefore, must exist even though such cited trademark is not required to be well-known or famous.

(c) Likelihood of deceiving consumers as in the generally accepted view among the trading community

The likelihood of deceiving consumers whether the deception causes confusion as to the quality of goods, confusion as to the source or goods or services, or any other conditions is irrelevant; provided, however, that the determination is based on not only the composition

of the trademark in question but also whether it is established that the said trademark is likely to deceive consumers as in the generally accepted view among the trading community.

c. Question of well-knownness and famousness of the cited trademark

In a case in the late 1970's, the Supreme Court adopted the following holding: although it has been a prevalent view that a trademark is not likely to cause misunderstanding, confusion or deception as to the source of goods unless the cited trademark is not well-known or famous, we now take a view that any trademark identical or similar to the cited trademark used in relation to identical or similar designated goods is likely to create misunderstanding or confusion as to the source of goods and thereby deceive consumers under the above provision insofar as said trademark or its designated goods are "well-known enough to be perceived as a particular person's trademark or goods" by consumers and traders in general domestic trading at the very least even if said trademark is not required to be well-known or famous.

12. Application filed for illegitimate purposes

(1) Overview

a. Significance

Any trademarks that are identical or similar to a trademark that is perceived to indicate the goods of a particular person by domestic or foreign consumers and to be used to obtain unjust enrichment, cause damages to said particular person or otherwise pursue illegitimate purposes, is not registrable, notwithstanding the provisions of Article 6 of the Act (Art. 7 (1) 12 of the Act).

b. Institutional intent

There have been an increasing number of cases where a third person other than a legitimate trademark owner obtains the registration of a trademark by illegitimate means and then prevents the use of the trademark by the legitimate owner or demand undue and excessive payments for the transfer of the trademark, also causing the likelihood of confusion or misunderstanding as to the source of goods among consumers by the use of the infringing trademark. Although the Trademark Examination Guides was revised and has been in force since March 1, 1996 to prevent such abuse, the confusion in examination practice resulting from the lack of express provisions in the Trademark Act has remained. To eliminate such likelihood of confusion, an express provision was included in the amendment to the Act in 1997.

(2) Specific details

- a. The cited trademark must be perceived as a particular person's trademark among domestic or foreign consumers.

(a) Among domestic or foreign consumers

Although the determination of famousness and well-knownness is based on domestic consumers in the territoriality principle under the provisions of Articles 7 (1) 9 and 7 (1) 9, this subparagraph provides that the determination be based on domestic or foreign consumers; therefore, this subparagraph may be applicable to the trademarks known only to foreign consumers, and “foreign consumers” does not necessarily refer to more than one consumer (Art. 26 (1) of the Guides).

(b) A particular person

An abstract source as an anonymous being is enough to qualify as a particular person in this context even if the traders or consumers of the goods in question may not specifically pinpoint who used the trademark.

(c) Level of well-knownness

The amendment in January 2007 to the Act revised this subparagraph (“remarkably” was deleted), mitigating the required level of well-knownness of infringed trademarks. Therefore, although a cited trademark is not required to be well-known or famous, said trademark or its designated goods must be well-known enough to be perceived as a particular person’s trademark or goods among general consumers or traders.

b. Applicability to trademarks and goods

Although this subparagraph provides that its applicability is limited to a trademark identical or similar to those as indicating a particular person’s goods among consumers, its applicability to goods is not limited at all. Therefore, there is room for the applicability of the provision of this subparagraph even in the case where it is difficult to apply the provisions of Articles 7 (1) 9 through 7 (1) 11.

c. Trademarks used for illegitimate purposes

“To obtain unjust enrichment, cause damages to [a] particular person or otherwise pursue illegitimate purposes” as set forth in this subparagraph, refers to instances: where an application for the registration of a trademark identical or similar to a trademark that a legitimate trademark user has yet to have registered is filed to impede said legitimate trademark user from entering the domestic market or force said user into entering a distributorship agreement; or where an application is filed to dilute the source indication of a famous trademark even if no identical or similar trademark is likely to cause confusion with another person's goods or services (Art. 26 (2) of the Guides).

(3) Specific criteria

a. Personal criteria

Although the applicability of the provision of this subparagraph must be determined based on the perception of the traders and consumers of the goods, the applicability requirements for this subparagraph make it applicable to a trademark as perceived among foreign consumers as indicating a particular person's goods. Therefore, this subparagraph is applicable not only to the case where the trademark is perceived among domestic consumers as indicating a particular person's goods, but also to the case where it is perceived among foreign consumers as indicating a particular person's goods even if it is not known among the traders of the goods and general consumers within the country.

b. Temporal criteria

As for temporal criteria, there are two views: one is that the determination must be based on the time of determining registrability as the time of application is relevant only to the cases as set forth in Articles 7 (1) 6 through 7 (1) 10 under the provisions of Articles 7 (2) and 7 (3); the other is that the provision of this subparagraph must rely on the time of application as a good faith application may not be interpreted as filed for illegitimate purposes just because another person's trademark became well-known and famous after the filing of said application. In a recent case, however, the Supreme Court held that the applicability of the provision of Article 7 (1) 2 relied on the time of application.

(4) Specific criteria

The applicability of this subparagraph requires both the well-knownness within or outside the country of the trademark in question and the existence of illegitimate purposes. On the one hand, the test of well-knownness within or outside the country requires the consideration of: (i) such material or method of evidence as may be necessary to establish distinctiveness acquired by use; and (ii) the well-knownness (the level of advertising or propagation, annual sales, the market share) and creativity of the trademark in question, the question of whether said trademark consists of a trade name, and the lines of business engaged by the business in question. On the other hand, the test of the existence of illegitimate purposes requires the consideration of: (i) documents on the applicable trademark owner's specific plans to enter the domestic market; (ii) documents on any request by the applicant for the purchase of the trademark or a distributorship agreement; and (iii) documents substantially evidencing the likelihood of damages to the good image or attraction of the famous mark (Art. 26 (3) of the Guides).

The amendment in January 2007 to the Act revised this subparagraph (by deleting "remarkably"), mitigating the required level of well-knownness of infringed trademarks. It should, therefore, be sufficient if the level of perception is 'well-known.'

13. Trademarks consisting solely of three-dimensional shapes or color schemes indicating the functions of goods or the packaging

(1) Overview

a. Significance

Any trademarks consisting solely of three-dimensional shapes, colors or color schemes essential to implement the functions of goods requiring trademark registration or their packaging, are not registrable, notwithstanding the provisions of Article 6 of the Act (Art. 7 (1) 13 of the Act). The Act as amended in January 2007 added trademarks consisting solely of functional color schemes as grounds for refusal of registration.

b. Institutional intent

The registration of a particular three-dimensional shape or color scheme by a particular person is precluded for the public good to prevent any impeded development of the applicable industry as may arise from said person's exclusive rights over said shape or scheme, and assure free use by competitors, if said shape or scheme possesses what might be called functionality under law despite that said shape or scheme may be deemed to possess distinctiveness and thus the provision of Article 6 (1) 3 of the Act may not be applicable.

(2) Specific criteria

a. Temporal criteria

The determination is based on the time of determining registrability, not the time of application, because the applicability of this subparagraph is intended for public good purposes of denying any particular person any exclusive rights to and assuring free use of any three-dimensional shape or color scheme that is essential to obtain technological performance of a particular product even if said shape or scheme is deemed to have acquired distinctiveness by use.

b. Specific criteria

(a) General criteria for the test of functionality of three-dimensional trademarks

The applicability of this subparagraph requires a comprehensive consideration of: whether any practical advantages arising from the shapes of certain goods or their packaging afford considerable competitive edges to the users of the goods; and whether any exclusive rights over said shapes unduly restrain the competition among the trading community (Ref. 1, Art. 27 of the Guides).

(b) Elements to consider when determining the functionality of three-dimensional shapes

When reviewing a three-dimensional shape or color scheme, the examining attorney must take into consideration, in particular: (i) whether an alternative shape that may implement the same function exists; (ii) whether said alternative shape for goods or packaging

would incur the same or less amount of costs; (iii) whether the practical advantages of said goods or packaging are being advertised; and (iv) whether any patent disclosing the functions – practical advantages – directly arising from said goods or packaging exists.

(c) Relation between distinctiveness and functionality

As such three-dimensional shapes, colors or color schemes, as may be essential to implement the functions of goods or their packaging, generally fall under the shapes of goods or their packaging as set forth in Article 6 (1) 3 of the Act. The provision of Article 6 (1) 3 is, in principle, applicable to any trademarks consisting solely of said shapes or schemes. Therefore, since this subparagraph is primarily applicable to such trademarks as deemed to possess distinctiveness under Article 6 (2) of the Act, any trademark consisting solely of such shapes of goods or their packaging as falling under the provisions of this subparagraph is not registrable despite the acknowledged distinctiveness (Ref. 4, Art. 27 of the Guides).

14. Geographical indications of the origin of wines and spirits

(1) Overview

a. Significance

Any trademarks containing or consisting of geographical indications or including such indications with regard to the origin of wines or spirits in a member state of the World Trade Organization and being intended to be used in relation to wines, spirits, or other similar goods, is not registrable, notwithstanding the provisions of Article 6 of the Act (Art. 7 (1) 14 of the Act).

b. Institutional intent

As the WTO TRIPS Agreement stipulates that the registration of a trademark consisting of a geographical indication identifying wines and spirits be refused or invalidated *ex officio* or at the request even where no confusion exists among the general public (Arts. 22 (2) and 22 (3) of the Act), this provision was newly inserted to comply with said Agreement by the amendment to the Act in 1997.

(2) Applicability requirements

a. The trademark in question must contain or consist of a geographical indication of the origins of wines and spirits.

As a geographical indication may not only be the name of a state, area or region but also a symbol or expression indicating the same, it does not merely refer to a geographical name of the region or area. A geographical indication includes not only indications of the origin expressed in characters used in the region but also their translations and transliterations (Art. 28 (1) of the Guides). This provision remains applicable even when a geographical indication accompanies, in the makeup of a trademark, an expression

such as “kind” “type” “style” or “mode” (Art. 28 (2) of the Guides); provided, however, that this subparagraph is not applicable to any geographical indication that is not protected or has ceased to be protected or used in the country to which said geographical indication belongs (Art. 23 (3) of the Guides).

b. Used in relation to wines, spirits or any other goods similar thereto

The scope of wines and spirits is determined by making reference to the scope of alcoholic beverages under the Liquor Tax Act; provided, however, that it is deemed to include wines, whiskeys, vodkas, brandies, rums, gins, kaoliangs, *makgeoli* and *soju*, but not liqueurs (Ref. 1, Art. 28 of the Guides). Therefore, any trademark containing a geographical indication of wines or spirits and being intended to be used in relation to any goods dissimilar to wines or spirits is registrable if said trademark does not indicate the origin of said goods, does not fall under a famous geographical name, and finally is not likely to cause misunderstanding of quality or confusion as to the source among consumers.

(3) Specific criteria

The determination is based on the time of determining registrability, and this subparagraph remains applicable even when there is no likelihood of misunderstanding or confusion as to the origin among consumers as in the case, for example, where “Made in the USA” is marked to a Bordeaux wine produced in California (Ref. 2, Art. 28 of the Guides).

(4) Geographical indication collective mark applied for by a legitimate user of a geographical indication

The Act as amended in December 2004 introduced a notion of geographical indication collective marks. A geographical indication collective mark applied for by a legitimate user of a geographical indication in relation to the applicable designated goods under the provisions of Article 9 (3) may be exceptionally registrable.

III. Treatment under the Trademark Act

1. Pre-registration

Any trademark as deemed unregistrable under Article 7 (1) of the Act calls for the denial of registration (Art. 23 (1) 1 of the Act), the provision of information (Art. 22 (3) of the Act), and the raising of an opposition (Art. 25 (1) of the Act).

2. Post-registration

(1) Subject to invalidation proceedings

Any trademarks falling under Articles 7 (1) 6 through 9 and 7 (1) 14 are grounds

for the invalidation of registration with a five-year time limitation (Arts. 71 (1) 1 and 76 (1) of the Act). Furthermore, any trademark that did not fall under any of the above subparagraphs and was duly registered at the time of determining registrability but somehow falls under the aforementioned subparagraphs, may not be invalidated, since said trademark was registered and used in good faith and it is necessary to protect the goodwill of said trademark, which accumulated over time.

(2) Limited effect of trademark rights

The effect of trademark rights does not cover any trademark indicating one's own name, title, trade name, portrait, signature, seal, famous pseudonym, professional name or pen name in a common manner unless said trademark is used for the purposes of unfair competition after the registration thereof (Art. 51 (1) 1 of the Act).

In addition, since any erroneous registration of a three-dimensional shape having functionality under law restricts free use by competitors, no proprietary or exclusive rights to said three-dimensional shape is acknowledged, and the effect of trademark rights does not extend to any trademark consisting of three-dimensional shapes essential to implement the functions of goods or their packagings (Art. 51 (1) 4 of the Act).

CHAPTER II TRADEMARK RIGHTS

SEC. 1 SIGNIFICANCE OF TRADEMARK RIGHTS

As the Korean trademark system is committed to the principle of registration, trademark rights inhere upon registration. Accordingly, if an examining attorney approves the mark for registration or a proceeding results in a decision to the same effect, the person intending to obtain registration pays a prescribed amount in a registration fee within a certain period (Art. 34 of the Act); then KIPO registers the trademark in the register maintained within the office and issues a trademark registration certificate (Art. 40 of the Act). The duration of the registration of a trademark is ten years starting on the date of registration (Art. 42 (1) of the Act), which may be renewable for successive ten-year periods by renewal applications (Art. 42 (2) of the Act).

Trademark rights comprise: (i) an exclusive right by which the trademark owner may exclusively use his registered trademark in relation to the goods for which it is registered; and (ii) a right of injunction by which any third person without legitimate title may be prohibited from using an identical or similar trademark in relation to identical or similar goods.

SEC. 2 JOINT OWNERSHIP OF TRADEMARK RIGHTS

I. Significance

Since trademark rights are property rights, a single trademark may be jointly owned by two or more persons as is the case with general joint ownership under the Civil Code. This is termed “joint ownership of trademark rights,” in which case trademark rights are shared not for different sets of designated goods but in their entirety by each owner in a fractional manner.

II. Details of jointly owned trademark rights

1. Free use by joint owners

Although the Trademark Act does not have express provisions for joint ownership in contrast to the Patent Act (Art. 99 (3) and the Design Protection Act (Art. 46(3)), the Act is interpreted in such manner that a registered trademark may be freely used by each joint owner in his own right without the consent of other joint owners unless otherwise specifically agreed by contract.

2. Restrictions by the characteristics of trademark rights

(1) Restrictions on the transfer of or establishment of a pledge on fractional ownership

Each joint owner may neither transfer nor establish a pledge on his fractional ownership without the consent of all other joint owners.

(2) Restrictions on licensing

Each joint owner may not grant an exclusive or non-exclusive license for the use of the trademark without the consent of all other joint owners.

(3) Restrictions on filing for proceedings

For any jointly owned trademark rights, all joint owners must be either petitioners or respondents in any proceeding (Art. 77 of the Act; Arts. 139 (2) and 139 (3) of the Patent Act *mutatis mutandis*).

(4) Restrictions on application for renewal of registration, application for additional registration of designated goods, and application for registration of the reclassification of goods

For any jointly owned trademark rights, all joint owners must jointly apply for the renewal of registration (Art. 43 (1) of the Act), and also jointly file for the additional registration of designated goods or the registration of the reclassification of goods (Arts. 46-2 (4) and 48 (1) 2 of the Act).

III. Effect of any violation of restrictions arising from joint ownership

1. Subject to cancellation proceedings

The Act stipulates that any transfer of fractional ownership without the consent of all other joint owners be grounds for the cancellation of trademark registration (Art. 73 (1) 4 of the Act); provided, however, that such cancellation may be avoided if such transfer is reversed after a cancellation proceeding is filed for (Art. 73 (5) of the Act).

2. Dismissal as unlawful

Any petition not filed by or against all joint owners is dismissed as unlawful.

3. Refusal decision

Any application for the renewal of registration, the additional registration of designated goods, or the registration of the reclassification of goods that is not filed by all joint owners, is to be refused (Arts. 45 (1) 2, 48 (1) 2, and 46-4 (1) 3 of the Act).

SEC. 3 OBLIGATIONS OF TRADEMARK OWNERS

I. Overview

As any rights are always accompanied by obligations, any trademark rights inhering upon the registration of trademark rights go with certain obligations as set forth in the Act. Although these obligations of trademark owners may be classified in a number of different ways, the obligations will be broken down into the following categories: obligations on the use of trademarks; obligations on the transfer of trademark rights; and miscellaneous obligations.

II. Obligations on the use of trademarks

1. Obligation to use

The purpose of a trademark is not to obtain registration in and of itself, but to implement the function of distinguishing one's own goods from those of others, indicate the source of goods, and assure the quality thereof, thus, maintaining market order for the goods; therefore, the trademark owner is placed under the obligation to use the registered trademark.

2. Obligation of legitimate use

A trademark owner may not cause misunderstanding of the quality of goods or confusion with the goods associated with another person's business by using a trademark similar to the said registered trademark in relation to designated goods. Furthermore, a trademark owner may not use a registered trademark or any other trademark similar to another trademark in relation to any goods similar to the designated goods. These restrictions are termed as the "trademark owner's obligation of legitimate use."

3. Monitoring and supervision obligations

Trademark rights may be cancelled not only in the case of illegitimate use by trademark owners but also in the case of such use by licensees. Therefore, if any license is granted on trademark rights, the trademark owner is under the obligation to continually monitor and supervise to ensure that the licensee legitimately uses such trademark within the scope of the license.

III. Obligations on the transfer of trademarks

1. No division and transfer for similar goods

Although trademark rights may be divided and then transferred, any rights in relation

to similar designated goods must be transferred together (the proviso of Art. 54 (1) of the Act).

2. Consent of joint owners

For any jointly owned trademark rights, no fractional ownership may be transferred or no pledge may be placed on fractional ownership without the consent of all other joint owners (Art. 54 (5) of the Act).

3. Business emblems and the trademarks registered under the provisions of the proviso of Art. 7 (1) 3

Any business emblems and any trademarks registered under the provisions of the proviso of Article 7 (1) 3 of the Act must be transferred together with the business (Arts. 54 (7) and 54 (8) of the Act)

4. Collective marks

Any collective mark may be transferred only with the approval of KIPO in the case of the merger or consolidation of corporations (Art. 54 (9) of the Act).

IV. Miscellaneous obligations

1. Obligation to pay registration fees

Any person intending to obtain the renewal of registration must pay a trademark registration fee (Art. 34 (1) of the Act), in which case, the registration fee for ten years must be paid within two months of the receipt of a certified copy of a registration approval.

2. Obligation to indicate the name of the licensee

All licensees are under the obligation to indicate his name on his goods (Arts. 55 (4) and 57 (5) of the Act).

3. Obligation to indicate registration

Where any trademark owner, exclusive licensee or non-exclusive licensee, uses a registered trademark, such person may indicate that the trademark is a registered trademark (Art. 90 of the Act); this is not an obligation in a strict sense as this provision is not mandatory, but instead voluntary.

4. Obligation to notify inheritance and register the transfer of trademark rights arising from inheritance

Inheritance or general succession of trademark rights must be notified to KIPO without delay (Art. 56 (2) of the Act), and the death of a trademark owner requires his heir to register the transfer of trademark rights within three years of the death. Failing to do so will result in the automatic lapse of the trademark rights on the day immediately following the expiry of three years from the death of the trademark owner (Art. 64 (1) of the Act). On a separate note, the trademark rights held by any corporation under liquidation must register the transfer of such trademark rights no later than the registration of the completion of liquidation (or six months after such completion or the substantial completion of the completion of liquidation work, whichever comes first in light of whether the completion of liquidation is registered but liquidation work is not substantially completed). Failing to do so will result in the lapse of such trademark rights on the day immediately following the registration of the completion of liquidation (Art. 64 (2) of the Act).

5. Obligation to obtain the renewal of registration

The duration of the registration of any trademark rights is extended for another ten years only if the owner of such trademark rights files for the renewal of such registration within one year prior to or within six months of the expiration of such duration. Failing to do so will result in the final lapse of such trademark rights on the day immediately following the expiration.

6. Obligation to register the reclassification of goods

If any trademark owner who has obtained the registration of trademark rights, the additional registration of designated goods or the renewal of registration in relation to designated goods under the former Korean Classification of Goods as effective prior to March 1, 1998, fails to file for the registration of reclassification of goods, then their trademark rights will lapse on the day immediately following the expiration of the duration of registration in which the period of the registration for such reclassification expires.

SEC. 4 TRANSFER OF TRADEMARK RIGHTS

I. Overview

Since trademark rights are property rights, assignment through the trademark owner's free will, transfer by inheritance or general succession, and transfer by execution of judgment are all allowed. It is therefore allowed to transfer trademark rights in a manner

that maintains the integrity of the substance of such trademark rights and modifies the holder thereof only.

II. Mode of transfer

Transfer of trademark rights may be classified into: (i) special succession and general succession by its cause; or (ii) full succession and partial succession by its scope.

1. Special succession and general succession

“Special succession” refers to a case where transfer is affected by the following: a transfer agreement between a trademark owner and a transferee, a gift, the enforcement of pledges or other liens, or the execution of a judgment.

“General succession” refers to a case where the transfer of trademark rights is accompanied by the transfer of all rights and obligations as part of the property of the transferor as in the case of inheritance, general bequest, and merger or consolidation of companies.

2. Full succession and partial succession

“Full succession” refers to when a batch of trademark rights in relation to all designated goods are transferred, whereas “partial succession” refers to the transfer of trademark rights in relation to only part of the designated goods or the transfer of fractional ownership only.

III. Transfer of trademark rights procedures

1. Special succession

It is sufficient to file an application for the transfer of trademark rights with documents evidencing the cause.

2. General succession

The cause of succession is sufficient to effect succession *ipso facto* without any procedures, provided, however, that the applicable successor must notify KIPO of such cause without delay (Art. 56 (2) of the Act).

IV. Restrictions on transfer of trademark rights

Although trademark rights are property rights and may therefore be freely disposed of, the purpose of the Trademark Act and other public good considerations place certain restrictions as follows:

1. No division and transfer for similar goods

Although trademark rights may be divided and selectively transferred for different designated goods, it is stipulated that the rights in relation to similar designated goods be transferred together to prevent any confusion as to the source of goods that may arise from different owners having separate trademark rights in relation to similar designated goods (the proviso of Art. 54 (1) of the Act).

2. Restrictions on transfer of jointly owned trademark rights

For any jointly owned trademark rights, no fractional ownership may be transferred or no pledge may be placed on fractional ownership without the consent of all other joint owners (Art. 54 (5) of the Act).

3. Restrictions on transfer of collective mark rights

A collective mark may not, in principle, be transferred to any other party. It is provided, however, that the collective mark may be transferred with the approval of KIPO in the case of a merger or consolidation of corporations, in which case its integrity is deemed to be maintained (Art. 54 (9) of the Act).

4. Restrictions on transfer of business emblem rights

A business emblem may not, in principle, be transferred to any other party unless it is transferred together with the business (Art. 54 (7) of the Act).

5. Restrictions on transfer of the trademarks registered under the provisions of the proviso of Art. 7 (1) 3

Any famous registered mark representing the nonprofit business or nonprofit public operation of any state, public organization, its agency or non-profit foundation under the proviso of Article 7 (1) 3 of the Act may not, in principle, be transferred unless it is transferred together with the business associated with it (Art. 54 (8) of the Act).

6. Effect of any violation of restrictions on transfer

Any transfer in violation of any of the above restrictions is subject to cancellation proceedings (Art. 43 (1) 4 of the Act); cancellation proceedings may be avoided if such transfer is reversed after a cancellation proceeding is filed for (Art. 73 (5) of the Act).

V. Effectiveness and effect of trademark transfer

1. Effectiveness of trademark transfer

(1) Special succession

To clearly specify the rights arising from the transfer of trademarks in the case of special succession, registration is stipulated to be a requirement for the taking effect of the transfer (Art. 56 (1) 1 of the Act).

(2) General succession

In the case of inheritance or other general succession, the occurrence of its cause is sufficient for the transfer to take effect, provided that the applicable heir or successor notifies KIPO of such cause (Art. 56 (2) of the Act); further, however, the failure to register the transfer within three years of the death of the trademark owner will result in the lapse of the trademark rights on the day immediately following the expiry of said three years (Art. 64 of the Act).

2. Effect of transfer

(1) Trademark transfer and incidental rights

No transfer of trademark rights affects exclusive licenses, registered non-exclusive licenses, or any other incidental rights.

(2) Trademark transfer and proceedings

As court cases take a view that the periods of nonuse both before and after are added and accounted for in a cancellation proceeding instituted on the ground of nonuse, such proceeding is not affected by the transfer of trademark rights. In addition, any procedure involving a trademark owner that affects his successor (Art. 5 of the Act; Art. 18 of the Patent Act *mutatis mutandis*), KIPO or the trial judge may require the successor to continue with the procedure (Art. 5 of the Act; Art. 19 of the Patent Act *mutatis mutandis*).

SEC. 5 Licensing

I. Significance

Trademark rights are property rights under private law whereby the trademark owner has exclusive rights to use, derive profit from and dispose of his registered trademark in relation to its designated goods. Accordingly, the trademark owner may, instead of personally using the registered trademark in relation to the designated goods, allow another

person to use the registered trademark in relation to the designated goods within a prescribed scope, which is referred to as licensing.

II. Types of licenses

The Trademark Act of Korea classifies licenses, by its substance, into: exclusive licenses and non-exclusive licenses. Although not provided for in the Korean Trademark Act, sole license refers to when the trademark owner grants the license to only a single licensee but the use of the mark by the owner himself is not precluded.

III. Exclusive license

1. Significance

“Exclusive license” refers to the right by which a registered trademark may be exclusively used in relation to the designated goods within a certain extent (Art. 55 (3) of the Act).

2. Establishment and scope

(1) Establishment

An exclusive license is, in general, established by an agreement with a trademark owner, and it requires the consent of all joint owners if the trademark rights are jointly owned; provided, however, that no exclusive license may be established over business emblems or collective marks (Art. 57 (5) of the Act).

(2) Scope

An exclusive license may be established within the scope of the registered trademark and the designated goods, or the scope of the exclusive right, and does not extend to that of similar marks or goods, or that of the right of injunction.

3. Substance

An exclusive licensee may, in a positive manner, have the exclusive right to use a registered trademark in relation to the designated goods to the extent as provided in a license agreement (Art. 55 (3) of the Act), and in a negative manner, the right to prohibit any infringing use by third persons.

4. Changes

(1) Effectiveness

An exclusive license takes effect by being registered in the trademark register (Art. 56

(1) 2 of the Act). While a non-exclusive license, having the nature of a claim, takes effect regardless of whether or not it is registered in the register, an exclusive license, having the nature of a quasi-property right, requires public notice to the public; therefore, for the sake of legal certainty, its effectiveness requires registration.

(2) Modification

If a registered exclusive license is modified in terms of its period, area and use, the effectiveness requires the registration of such modification (Art. 56 (1) 2 of the Act).

(3) Lapse

(i) the expiration of the license period, (ii) rescission or termination of the license agreement, (iii) the abandonment of the exclusive license, (4) the nonexistence of heirs, and (v) lapse by a cancellation proceeding under Article 74 of the Act.

IV. Non-exclusive license

1. Significance

“Non-exclusive license” refers to the right by which any third person other than a trademark owner may use a registered trademark in relation to the designated goods within the extent as provided in a license agreement with the trademark owner or an exclusive licensee (Art. 57 (2) of the Act).

2. Establishment and scope

(1) Establishment

A non-exclusive license is, in general, established by an agreement with a trademark owner, and it requires the consent of all joint owners if the trademark rights are jointly owned; provided, however, that no non-exclusive license may be established over business emblems or collective marks (Art. 57 (5) of the Act).

(2) Scope

As is the case with exclusive licenses, a non-exclusive license may be established within the scope of the registered trademark and the designated goods, or the scope of the exclusive right, and does not extend to that of similar marks or goods, or that of the right of injunction.

3. Substance

A non-exclusive licensee has the right to use a registered trademark in relation to the designated goods to the extent as provided in the license agreement (Art. 57 (2) of the Act).

4. Changes

(1) Effectiveness

A non-exclusive license takes effect immediately upon permission, regardless of whether or not registration has occurred. Permission in this context includes verbal or tacit approval, in which case, the registration of the non-exclusive license merely enables the registrant to assert its rights against third parties.

(2) Modification

Except in the case of inheritance or other general succession, a non-exclusive license may not be transferred without the consent of the trademark owner (or the trademark owner and the exclusive licensee if the underlying right is an exclusive license) (Art. 57 (3) of the Act). If the non-exclusive license is jointly owned, the transfer of the fractional ownership of the non-exclusive license requires the consent of all other joint owners.

(3) Lapse

Since a non-exclusive license is incidental to trademark rights, it lapses by the lapse of the underlying trademark rights which can be triggered by the following occurrences: (i) the expiration of the license period, (ii) rescission or termination of the license agreement, (iii) the abandonment of the exclusive license, (4) the nonexistence of heirs, and (v) lapse by a cancellation proceeding under Article 74 of the Act.

5. Statutory non-exclusive license by prior use (Art. 57-3)

(1) Significance

Any person using a trademark identical or similar to the registered trademarks of others in relation to identical or similar goods, is entitled to continue the use of that trademark in relation to the goods if (i) such person has been continually using the mark within the country for no purposes of unfair competition since prior to the application for registration by others; and (ii) the use of the mark has resulted in the mark being perceived as indicating the goods of a certain person among domestic consumers as of the application for registration by others.

(2) Institutional intent

Newly inserted in the Act as amended in January 2007, this provision is intended for retroactive restrictions on infringing trademarks. Put another way, by preventing undue enrichment, it is intended to discourage the application for the registration of infringing trademarks, ensure the use of the mark and the goodwill of legitimate owners, and prevent any infringement on the reliance interests of consumers.

(3) Legal nature

It is a statutory non-exclusive license that arises *ipso jure* regardless of the intent of trademark owners or exclusive licensees, and therefore has the nature of a claim.

(4) Trademark owner's right to demand an indication to prevent confusion

A trademark owner or an exclusive licensee may demand that a prior user use an appropriate indication to prevent misunderstanding or confusion as to the source between their goods. This is intended to prevent any infringement on the goodwill of the trademark user or the reliance interests of consumers that may arise from the confusion between the trademarks of the trademark owner and the prior user.

V. Right to use a trademark after the expiration of patents and other rights

1. Overview

(1) Significance

With respect to any patent, utility model or industrial design (hereinafter referred to as a "patent or other right") that was applied for on or prior to the date of application for a conflicting trademark and thereafter registered, the provisions of Article 57-2 of the Act acknowledges the right whereby the patentee may continue to use a trademark identical or similar to the registered trademark in relation to the goods identical or similar to the designated goods for the registered trademark within the extent of the original patent or other right even after the expiration of said patent (hereinafter referred to as the "right to use a trademark after the expiration of patents and other rights"); provided, however, that such right is not acknowledged if the trademark is used for purposes of unfair competition.

(2) Institutional intent

In the case of a trademark conflicting with a patent, the patentee may freely exercise his rights over his own invention (or utility model or industrial design) without any restriction by the trademark owner if the application for said patent was filed on or prior to the date of application for said trademark. The expiration and lapse of said patent would result in the infringement on said trademark by the patentee, who would in turn be unable to continue to use his invention (or utility model or industrial design). In accordance with the idea of the first-to-file principle, the fundamental principle for the use of industrial property rights and reconciliation of conflicts arises. Therefore, this provision is intended to ensure the rights of the original patent holder to continually use his invention well after the expiration of the original patent.

2. Requirements

- (1) The application for the patent must have been filed on or prior to the date of application for the trademark.

The first requirement is that the application for the patent, utility model or industrial design must have been filed on or prior to the date of application for the trademark.

- (2) The patent or other right must be in conflict with the trademark.

This provision is applicable to patents being in conflict with trademarks only, and therefore it is an irrelevant provision in the absence of a conflict.

- (3) The patent must have lapsed upon the expiration thereof.

Since this provision is applicable only if the patent or other right has lapsed upon the expiration thereof, the right to use the trademark is not acknowledged if the patent or other right has lapsed upon voluntary abandonment or nonpayment of patent fees.

- (4) No purposes of unfair competition

The right to use the trademark is not acknowledged if the patentee uses the trademark for purposes of unfair competition even though the above requirements are all met.

3. Substance and scope

- (1) The persons entitled to use the trademark

The persons entitled to use the trademark after the expiration of the patent or other right include not only the holder of the patent, utility model or industrial design but also exclusive licensees and those non-exclusive licensees registered under the provisions of Article 118 (1) of the Patent Act.

- (2) Substance and scope

The scope of the statutory right to use after the expiration of the registration of the patent or other right is to the extent of the original patent or other right.

VI. Obligations of licensees

1. Obligation of legitimate use

Any person may file a petition to cancel if the use by an exclusive licensee or non-exclusive licensee of a trademark or any mark identical or similar to in relation to the designated goods or any other goods similar to has caused misunderstanding of the quality of goods or confusion with the goods associated with another person's business (Art. 73 (8) of the Act).

2. Obligation to indicate one's own name

An exclusive licensee or non-exclusive licensee must indicate his name on his goods (Arts. 55 (4) and 57 (5) of the Act).

3. Obligation to indicate registration

Where any exclusive licensee or non-exclusive licensee uses a registered trademark, such person may indicate that the trademark is a registered trademark (Art. 90 of the Act).

4. Contractual obligations as agreed upon in agreements

A licensee must perform his obligations regarding the term of use of the trademark, methods for use, and payment of license fees as agreed upon in agreements.

SEC. 6 LAPSE OF TRADEMARK RIGHTS

I. Significance

“Lapse of trademark rights” refers to the case where trademark rights that once validly created lose their effect upon the occurrence of certain events. There are differing views on the scope of the causes for the lapse of trademark rights, these views say: (i) that the causes only include the expiration of the trademark registration, abandonment of trademark rights, the heir's failure to register the transfer of trademark rights after the death of his ancestor who owned the same, and the failure to register reclassification of designated goods (a narrow interpretation); (ii) that the cancellation of trademark registration is included as well (a broader interpretation); and (iii) that the invalidation of trademark registration is also added to the scope (the broadest interpretation).

II. Causes for lapse

1. Expiration of trademark registration

Trademark rights lapses by the expiration of the trademark registration. The lapse of trademark rights resulting from the expiration of trademark registration is registered by the Commissioner of KIPO *ex officio* in the trademark register (Art. 39 (1) of the Act; Art. 2 (2) 1 of the Enforcement Regulations of the Act).

2. Abandonment of trademark rights

Since trademark rights are property rights, lapse by abandonment is not in effect until

the trademark owner files for the de-registration of his trademark with KIPO, stating his intention to abandon his trademark rights, and such de-registration is completed (Arts. 56 (1) 1 and 61 of the Act).

3. The heir's failure to register the transfer of trademark rights

The Act stipulates that the heir's failure to register the transfer within three years of the death of the trademark owner will result in the lapse of the trademark rights on the day immediately following the expiry of said three years (Art. 64 of the Act).

4. The failure to register reclassification of designated goods

As the Trademark Law Treaty resulted in discrepancy between the former and current classification systems that may not be addressed by mere renewal of trademark registrations, the Trademark Act as amended in 2001 added provisions for the registration of reclassification of designated goods to ensure fast and consistent examination as well as convenient trademark searches, requiring that any trademarks to be used in relation to such designated goods as may be subject to reclassification should lapse upon the expiration of the duration of registration in which the period of the registration for such reclassification expires if (i) the trademark owner fails to register reclassification of designated goods within a period starting one year prior to the expiry of trademark registration and ending six months after such expiry; (ii) the registration of reclassification is withdrawn; (iii) the registration of reclassification procedure is invalidated; (iv) there is a final decision to refuse the registration of reclassification; or (v) there is a final decision to invalidate the registration of reclassification (Art. 64-2 (1) of the Act).

5. Cancellation of trademark registration

"Cancellation of trademark rights" refers to the case where trademark rights that once validly created lose their effect upon a proceeding due to the occurrence of certain events. A trademark lapses upon any final decision rendered in a proceeding that is instituted on any ground for cancellation as provided in any Subparagraph of Article 73 (1) of the Act (Arts. 73 (1) and 73 (7) of the Act), in which case, the Commissioner of KIPO is required to register *ex officio* the lapse of trademark rights in the register on the ground of a final decision to cancel (Art. 39 (1) of the Act; Art. 2 (2) 2 of the Enforcement Regulations of the Act).

6. Invalidation of trademark registration

"Invalidation of trademark rights" refers to the case where trademark rights that once validly created lose their effect retroactively as of the date of registration due to the occurrence of certain statutory events. As the lapse of trademark rights presupposes the

accrual of trademark rights, the invalidation of a trademark registration that is deemed to have never existed in the first place may not, strictly speaking, be deemed as a ground for the lapse of trademark rights. The invalidation of a trademark registration on the *ex post facto* ground for invalidation as provided in Articles 71 (1) 4 and 71 (1) 5 of the Act, however, does not negate the accrual of trademark rights but denies the existence of the trademark rights on and from the point where the provisions become applicable; therefore, it may be deemed as another ground for the lapse of trademark rights.

7. Lapse of trademark rights due to the extinction of a corporation

The Act as amended in January 2007 added a provision that the trademark rights held by any corporation under liquidation lapses on the day immediately following the registration of the completion of liquidation unless the transfer of such trademark rights is registered no later than the registration of said completion (Art. 64 (2) of the Act).

III. Effect of lapse

1. Lapse of trademarks, licenses and pledges

The lapse of any trademark is accompanied by the lapse of its incidental rights: licenses and pledges.

2. Trademarks registrable by reapplication within one year of lapse

If a registered trademark was used for a considerable period prior to and despite its lapse, such trademark is deemed to have the goodwill of the trademark owner embodied in it and its source function is deemed to be maintained for a certain period; therefore, the original trademark owner is afforded the opportunity to reapply for its registration within one year of the lapse of the trademark (or a final decision to invalidate it, if any) within the identical or similar extent (Article 7 (1) 8) unless the application is filed by a legitimate owner who falls under the provisions of Articles 7 (1) 6, 7 (1) 9, 7 (1) 10, 7 (1) 12, 8 or 73 (1) 7 of the Act (Art. 7 (4) of the Act).

3. No re-registration by a trademark owner of any trademarks identical or similar to his lapsed trademark for a certain period

Any trademark owner or user of a registered trademark may not obtain the registration of any trademarks identical or similar to said registered trademark within three years if there is a petition for a cancellation proceeding against said trademark on any of the grounds as set forth in Articles 73 (1) 2, 73 (1) 3, 73 (1) 5 and 73 (1) 5 through 73 (1) 9 of the Act and thereafter (i) said trademark lapses upon the expiration of its registration; (ii) the trademark owner abandons part of his trademark rights or designated goods;

or (iii) there is a final decision to cancel the registration of said trademark (Art. 7 (5) of the Act).

4. Retroactive lapse of the claim for reimbursement

The claim is deemed to have never existed in the first place if there is a final decision to invalidate a trademark registration (Art. 24-2 (6) of the Act).

5. Limited effect of trademark rights restored by retrial

If a trademark registration or renewal thereof is invalidated or canceled and thereafter restored by a trial, the trademark rights do not extend to any act of use in good faith of a trademark identical to the registered trademark on any goods identical to the designated goods after the trial decision becomes final and conclusive and before the request for the retrial is registered, or any act falling under any Subparagraph of Article 66 (Art. 85 of the Act).

CHAPTER III EFFECT OF TRADEMARK RIGHTS

SEC. 1 GENERAL

As the Korean trademark system adheres to the principle of registration, the approval of registration of a trademark and compliance with certain prescribed registration procedures grants a trademark owner the exclusive rights to use, derive profit from and dispose of said trademark in relation to the designated goods (Art. 50 of the Act). From the perspective of the trademark owner, trademark rights as such may be deemed to have two types of effect: (i) the active effect which produces an exclusive right by which the trademark owner may exclusively use his registered trademark in relation to the goods for which it is registered; and (ii) the passive effect which creates a right of injunction by which another person is precluded from willfully using the trademark in relation to the designated goods and also prohibited from using a trademark similar to the registered trademark in relation to the designated goods, or the registered trademark or any other mark similar thereto in relation to goods similar to the designated goods.

SEC. 2 THE ACTIVE EFFECT OF TRADEMARK RIGHTS

I. Significance

The registration of trademark rights entitles the trademark owner to exclusively use his registered trademark in relation to the designated goods. Although this exclusive right may be enjoyed by the trademark owner himself, the trademark owner may also realize the economic value of the trademark by establishing a license or pledge on it or transferring it to another person, since trademark rights are a type of property rights.

II. Substance

As the active effect of trademark rights is the right to exclusively use a registered trademark in relation to the designated goods, this Section is intended to discuss the active effect by defining, (i) registered trademark, (ii) designated goods, and (iii) use.

1. Registered trademarks

“Registered trademark” refers to a trademark for which a trademark registration has been granted (Art. 2 (1) 5 of the Act), and the scope of protection for designated goods is determined by the goods specified in an application for trademark registration (Art. 52 (1) of the Act). It is also provided, however, that the term “registered trademark” be deemed to include those trademarks that are similar to the registered trademark (other

than registered trademarks consisting solely of colors or color schemes), that would be deemed identical to the registered trademark if their colors were the same as those of the registered trademark (Arts. 91-2 (1) and 91-2 (4) of the Act).

2. Designated goods

“Designated goods” refers to a group of goods as designated in accordance with the classification of goods under the Enforcement Regulations of the Act which can be found in the application for registration for the trademark that will be used (Art. 10 (1) of the Act). The scope of protection for designated goods is determined by the goods specified in the application for trademark registration or reclassification of goods (Art. 52 (2) of the Act).

3. Use

A trademark owner solely possesses the right to *use* his registered trademark, and the use of such trademark by a third person without the consent of the trademark owner constitutes an infringement upon trademark rights. This raises the question as to what acts fall under the act of using a trademark. In general, the use of a trademark has been described as the act of using the trademark in relation to the goods circulated in commercial transactions, which is not unambiguous. The Trademark Act, therefore, has the following provisions defining the use of a trademark (Art2. 2 (1) 6 and 2 (2) of the Act):

- (i) an act of placing a trademark on goods or their packaging;
- (ii) an act of transferring or delivering goods or their packaging on which a trademark is placed, or act of displaying, exporting or importing the same for such purpose;
- (iii) an act of placing a trademark on advertisements about goods, price lists, transaction documents, signboards or labels, or act of displaying or distributing it; and
- (iv) an act of making goods themselves or their packaging or signboards in the shape of a mark.

SEC. 3 THE PASSIVE EFFECT OF TRADEMARK RIGHTS

I. Significance

It is stipulated that the use by a third person other than a trademark owner, without legitimate authorization or just cause, of a trademark identical or similar to the registered trademark of such owner in relation to goods identical or similar to the goods for which said mark is registered, should constitute an infringement upon trademark rights (Art. 66 of the Act). The right to prohibit such unauthorized use of a trademark identical or similar to a registered trademark in relation to goods identical or similar to the designated goods is referred to as the passive effect of trademark rights.

II. Substance

A trademark owner may demand a civil injunction against the infringement by another person, whether or not resulting from willful misconduct or gross negligence. The owner may also be deemed to have the right to claim damages and demand the recovery of his goodwill if willful misconduct or gross negligence on the part of such other person is established.

III. Scope

The active effect of trademark rights is the exclusive right to use a registered trademark in relation to designated goods, and therefore its scope is relatively well demarcated. The passive effect of trademark rights, on the other hand, is a relative concept whose breadth may not be uniformly determined as it depends on what criteria is to be used to evaluate the concept of similarity of trademarks or goods. The concept, therefore, should be interpreted on a case-by-case basis with the purpose and intent of trademark law taken into account.

SEC. 4 RESTRICTIONS ON THE EFFECT OF TRADEMARK RIGHTS

I. Overview

1. Significance

Although trademark rights, in principle, imply proprietary effect and injunctive effect arising from registration with no limitation, yet certain statutory grounds or the inherent limits of the rights place certain restrictions on their effect for the balance between public and private interests.

2. Institutional intent

Statutory restrictions on the effect of trademark rights are intended to promote the public good so that (i) even a trademark that is inherently unregistrable but somehow registered could be freely used by any person by limiting the exclusive effect of trademark rights prior to a final decision, if any, to invalidate it; and (ii) the exclusive rights of trademark rights could be limited to ensure the use of a non-distinctive mark by a third person if it is combined with a distinctive part or used in an extraordinary manner to be registered. Other restrictions are also placed to achieve the balance with the stability of rights.

II. Statutory restrictions on effect

- (i) Any trademark indicating one's own name, title and so forth in a common manner;
- (ii) any trademark indicating a generic term for goods or a descriptive mark in a common manner;
- (iii) any trademark consisting of a generic trademark or famous geographical name and so forth;
- (iv) any trademark consisting of a functional three-dimensional shape or color scheme (the Act as amended in January 2007); and
- (v) any trademark consisting of a non-distinctive three-dimensional shape (added to the Act as amended in January 2007).

III. Restrictions placed by statutory non-exclusive licenses resulting from license agreement or prior use

An exclusive license or non-exclusive license granted under a license agreement, if any, limits the effect of trademark rights within the extent as provided in such agreement (Arts. 55 and 57 of the Act). Likewise, any acknowledged right resulting from prior use to continue the use of a trademark (a statutory non-exclusive license), if any, limits the effect of trademark rights within such extent (Art. 57-3 of the Act).

IV. Restrictions resulting from conflicts with other rights

Any owner, exclusive licensee or non-exclusive licensee of a registered trademark who uses said trademark in a manner conflicting with another person's patent, utility model or industrial design that was applied for prior to the application for the trademark or another person's copyright which arose prior thereto, may not use the trademark in relation to such designated goods as it may put the trademark into conflict with the holder of said patent, utility model or industrial design. 53 of the Act).

V. Restrictions on the effect of the trademark rights restored by retrial

If (i) a trademark registration or renewal thereof is invalidated and thereafter restored by a trial, (ii) the registration is canceled and thereafter restored by retrial, or (iii) there is a final decision that the trademark rights are not applicable to a particular case and thereafter there is another final decision being contrary to the former decision, then no effect of the trademark rights extend to any act of using in good faith a trademark identical to the registered trademark on any goods identical to the designated goods after the trial decision becomes final and conclusive and before the request for the retrial is registered, or any act falling under any Subparagraph of Article 66 (Art. 85 of the Act).

VI. Restrictions to the effect of trademark rights restored by the follow-up payment of registration fees made after the disappearance of an event for which the trademark owner is not liable

If an applicant for the renewal of a trademark registration suffers an event, for which such person may not be held liable, rendering such person unable to pay a registration fee within a due date and trademark rights are restored by the payment of the fee within fourteen days of the disappearance of such event, then the effect of the trademark rights does not extend to any act of using a trademark identical or similar to the registered trademark in relation to goods identical or similar to the designated goods (Art. 36-3 (3) of the Act).

VII. Miscellaneous

1. Restrictions resulting from joint ownership of trademark rights

For any jointly owned trademark rights, no fractional ownership may be transferred, no pledge may be placed on fractional ownership, or no license may be granted without the consent of all other joint owners (Arts. 54 (5) and 54 (6) of the Act).

2. Service marks and business emblems

No pledge or license may be placed or granted on collective marks or business emblems or any trademarks under the proviso of Article 7 (1) 3 of the Act, which accompanies certain restrictions on the transfer thereof as well (Arts. 54 (7) through 54 (10) and 55 (2) of the Act).

SEC. 5 Trademark infringement and remedies

I. Overview

1. Significance

Trademark rights arise by registration (Art. 41 (1) of the Act). In which case, a trademark owner has the exclusive right to use a registered trademark (Art. 50 of the Act), and any act by any person other than the trademark owner of using a trademark identical or similar to the registered trademark in relation to goods identical to the designated goods without legitimate title constitutes infringement on trademark rights (Art. 66-1 of the Act).

2. Types of infringement

Given that the trademark is intangible property and thus impossible to possess and easy to infringe on, it is difficult to determine whether it is infringed on; therefore the scope of infringement is deemed somewhat broad to effectively protect trademark owners.

(1) Infringement in the domain of identity

As for infringement on the exclusive right to use a trademark, any act by any person without legitimate title of using a trademark identical to a registered trademark in relation to goods identical to the designated goods constitutes infringement on trademark rights. In the context of the Trademark Act, the use of a trademark that is similar to a registered trademark but differs in colors only (other than registered trademarks consisting solely of colors or color schemes) is deemed as the use of an identical trademark; therefore this is deemed as infringement in the domain of identity as well (Arts. 91-2 (1) and 91-2 (2) of the Act).

(2) Infringement in the domain of similarity

This infringement in the scope of protection falls within the right of injunction. In other words, any act by any person without legitimate title of using a trademark identical to another person's trademark in relation to goods similar to the designated goods or using a trademark similar to another person's trademark in relation to goods identical or similar to the designated goods, falls within the scope of infringement upon trademark rights (Art. 66-1 of the Act).

(3) Infringement by preparatory acts (indirect infringement)

Any act of delivering, selling, forging, imitating or possessing a trademark identical or similar to the registered trademark of another person with the intention to use or cause another person to use it in relation to any goods identical or similar to the designated goods, and any act of manufacturing, delivering, selling or possessing tools used for making the registered trademark of another person with the intention to forge or imitate or to cause a third person forge or imitate the registered trademark, is deemed infringement on the trademark (Arts. 66 (1) 2 and 66 (1) 3 of the Act).

In a related vein, any act of possessing such goods identical or similar to designated goods as bearing a trademark identical or similar to the registered trademark of another person with the intention to transferring or making delivery of such goods, is also deemed infringement on the trademark (Art. 66 (1) 4 of the Act).

II. Remedies against trademark infringement

1. Civil remedies

(1) Petition for an injunction against infringement

“Preliminary injunction” refers to a provisional protection afforded to a trademark owner or exclusive licensee where it would be difficult to prevent significant damage or imminent infringement suffered or there are other urgent causes prior to a final judgment in a case of an injunction against infringement while petitioner is waiting for the decision in the parent case. A motion for a preliminary injunction, in general, is made prior to or simultaneously upon the filing for the parent lawsuit. Since it requires urgency of the case, any motion for an injunction without recognized urgency is subject to dismissal. In addition, as the processing of an injunction requires promptness, substantiation by *prima facie* evidence suffices, as opposed to the presentation of evidence.

(2) Injunction against infringement

A trademark owner or exclusive licensee may file for the prohibition or prevention of infringement by any infringer or likely infringer, whether or not resulting from willful misconduct or gross negligence, and request the disuse of things by which the infringement is caused, removal of equipment offered for the infringement, and such other acts as may be necessary for the prevention of infringement (Art. 65 of the Act). This has the nature of a quasi-property claim premised on the exclusive right of trademarks.

(3) Damage claims

A trademark owner or exclusive licensee may claim damages against any person infringing upon his trademark rights by willful misconduct or gross negligence, in which case, any person infringing on trademark rights or an exclusive license on a registered trademark is presumed to have known that said trademark is registered, therefore establishing that there has been willful misconduct.

(4) Right to demand the recovery of goodwill

A trademark owner or exclusive licensee may move for a court order directing that any person infringing upon his rights or undermining his goodwill by willful misconduct or gross negligence should take such actions as may be necessary to recover the goodwill in lieu of or together with damage compensation (Art. 69 of the Act).

(5) Claim for the return of unjust enrichment

Although the Trademark Act currently in force has no provisions for a claim for the return of unjust enrichment, the general provisions of Article 741 of the Civil Code allows a claim against any person who has obtained unjust enrichment by infringement upon

the trademark of another person without any legal ground and but who nonetheless caused damages to such person.

2. Criminal remedies

(1) Offense of infringement

a. Significance

In addition to the civil remedies as discussed above, criminal remedies are also available against infringement on trademark rights or exclusive licenses. In criminal law it is required according to the General Rules of the Penal code as well as the provisions of the Criminal Procedure Act, an offense of infringement requires willful misconduct.

b. Requirements

- (i) Use must be within the scope of protection for trademark rights.
- (ii) Use of the trademark must be unjust.
- (iii) No restrictions on the effect of trademark rights must be applicable.

c. Punishment and vicarious liability

Any person who has infringed upon a trademark right or exclusive license is punished by imprisonment for no more than seven years or a fine not exceeding 100 million Korean Won (Art. 93 of the Act); and if a representative of a corporation, or an attorney, employer or any employee of a corporation or an individual commits an infringement upon a trademark right or exclusive license in relation to the affairs of the corporation or individual, then said corporation, in addition to the offender, is punished by a fine of up to 300 million Korean Won (Art. 97 of the Act).

(2) Confiscation

A trademark or packaging or the production equipment for goods is to be confiscated if it is provided for infringement purposes or is produced by infringement (Art. 97-2 (1) of the Act); provided, however, that some goods may escape confiscation if such goods may be detached from the trademark or packaging without damages to the function or appearance (Art. 97-2 (2) of the Act).

III. Defense against asserted infringement claims

A person defending against infringement claims asserted by a trademark owner or exclusive licensee should (i) first refer to application documents and the trademark register to see if the assertion is legitimate, by verifying the validity of trademark rights (the duration of registration, any abandonment of trademark rights, designated goods, any failure by an heir to register the transfer of a registration, the reclassification of designated goods), the applicability for any ground for invalidation; (ii) and minimize monetary

loss by sending a letter that he will stop using the trademark rights or arranging for a settlement, a license agreement, or the purchase of the trademark if the assertion is legitimate. Measures available to the person defending against asserted infringement claims include: (i) filing for a proceeding to verify the scope of passive rights, asserting that the trademark used by him is not within the extent of trademark rights; (ii) establishing that he has legitimate rights to use the trademark; (iii) asserting that the trademark is invalid or has been invalidated; and (iv) establishing that the trademark owner or exclusive licensee is abusing their rights or asserting that the trademark has lapsed.

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PART III PROCEDURAL ASPECTS OF THE ACT

CHAPTER I GENERAL

The Trademark Act is viewed as substantive law because it has substantive provisions for the coverage of protection for trademarks, protection requirements and trademark rights. The Act also has procedural provisions regarding trademark application, review, registration, proceedings and lawsuits; therefore, it is also viewed as procedural law.

CHAPTER II PRINCIPLES APPLICABLE TO TRADEMARK REGISTRATION PROCEDURES

SEC. 1 SIGNIFICANCE

In the context of Korean trademark law, the principles applicable to trademark registration application and other procedural requirements include: (i) the “putting it in writing” principle, (ii) the principle of formality, (iii) the principle of “Korean only,” (iv) the first-to-file principle, (v) the principle of fee-for-service, and (vi) the principle of “one trademark per application.” As registration of trademarks is not allowed unless in accordance with these principles, these principles also have the nature of the procedural requirements for trademark registration.

SEC. 2 THE “PUTTING IT IN WRITING” PRINCIPLE

Any person intending to obtain a trademark registration must file an application in writing or electronically (Art. 5 of the Act; Art. 28-3 of the Patent Act *mutatis mutandis*). Therefore, no verbal applications are recognized. Anyone seeking to obtain a trademark registration may file a written application either in person or by mail or prepare an electronic application and submit it on the communications network or on a floppy disk.

SEC. 3 THE PRINCIPLE OF FORMALITY

The principle of formality refers to the rule directing that all documents to be filed with KIPO must be in such form as prescribed in trademark law, whereas the principle of non-formality would refer to where a number of documents submitted to KIPO are not required to be in specific form.

SEC. 4 THE PRINCIPLE OF “KOREAN ONLY”

Trademark registration applications and other documents required for trademark procedures must be prepared in the Korean language. Any trademark registration applications not prepared in Korean, therefore, are not accepted (Art. 9-2 (1) 5 of the Act; Art. 2 (1) 3 of the Enforcement Regulations). Certain documents filed by a non-Korean national applying for trademark registration or executing other formalities in Korea, however, may be written in a foreign language, provided that such documents are accompanied with Korean translations (Art. 36 of the Act; Arts. 4 of the Enforcement Regulations of the Patent Act *mutatis mutandis*). Additionally, any person applying for an international registration in accordance with the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks (hereinafter referred to as the “Madrid Protocol”) may submit an international application as prepared in English and certified by KIPO (Art. 25 of the Enforcement Regulations of the Act). Further, any person applying for an international registration in accordance with the Madrid Protocol to seek protection in Korea may submit an international application as prepared in English as well.

SEC. 5 THE FIRST-TO-FILE PRINCIPLE

“The first-to-file principle” refers to a system whereby the first person to file an application is entitled to registration when two or more of applications for identical or similar trademarks have been filed in relation to identical or similar designated goods (Art. 8 (1) of the Act). This is in contrast to the prior use principle, whereby only the first person to use a trademark is entitled to registration where two or more trademarks are in conflict with one another as discussed above.

SEC. 6 THE PRINCIPLE OF FEE-FOR-SERVICE

Any person applying for trademark registration is required to pay an application fee. The fee is paid for and in consideration of such service as provided with regard to trademarks and may be payable in connection with other procedures other than the application for registration.

SEC. 7 THE PRINCIPLE OF “ONE TRADEMARK PER APPLICATION”

Any person intending to apply for trademark registration must file an application for each trademark in relation to one or more classes of goods as prescribed by the Decree of the Ministry of Commerce, Industry and Energy (the main clause of Art. 10 (1) of the Act), in which the rule referred to is the principle of “one trademark per application.” This means that it is required to file an application for each and every trademark as opposed to for two or more trademarks. In this case, a single application may be filed for in relation to both goods and services as prescribed by the Decree of the Ministry of Commerce, Industry and Energy (hereinafter referred to as the “MOCIE”) (the proviso of Art. 10 (1) of the Act).

CHAPTER III APPLICATION PROCEDURES

SEC. 1 APPLICATION FOR TRADEMARK REGISTRATION

I. Filing out an application for trademark registration

1. An application for trademark registration

Any person intending to obtain a trademark registration is required to file an application with the KIPO, disclosing the following:

(i) The name and address of the applicant (or if the applicant is a corporation, the name and the location of its place of business); (ii) the name and the address or the location of the place of business of the attorney acting for and on behalf of the applicant, if any (or if the attorney is a patent law firm, the name and the address of its office as well as the name(s) of the attorney(s) on the record), (iii) a trademark, (iv) designated goods and their classes, (v) the gist of the claim for priority considerations, if any, and the name of the country in which the first application is filed, as well as the date of such application; and (vi) any other statements as prescribed by the Decree of the MOCIE and/or the Enforcement Regulations of the Act.

Furthermore, if the trademark for which registration is sought consists of any three-dimensional shape, color scheme, hologram, motion, or any other visually recognizable thing, then the gist thereof must be stated in the application as prescribed by the Decree of the MOCIE (Art. 9 (2) of the Act).

2. Attachments to an application for trademark registration

Attachments to an application for trademark registration include a trademark specimen and a document evidencing power of attorney, if applicable (Art. 4 (1) of the Enforcement Regulations of the Act); as well as, an optional, a description of a color (or three-dimensional) trademark or designated goods or a translated or transliterated description of the trademark as applied for; a document evidencing either distinctiveness acquired by use under the provisions of Article 6 (2) of the Act or the exclusive right of the petitioner in a cancellation proceeding to apply for registration under the provisions of Articles 8 (5) and 8 (6) of the Act; or a written consent of another person whose name is included in the trademark.

II. Classification of goods; designation and additional designation of goods

1. Significance

Since a trademark serves as a distinctive indication for goods, any person applying for the registration of a trademark must, at all times, designate a group of goods which are referred to as designated goods in relation to which said trademark is to be used. Additionally, an applicant or a trademark owner may add additional designated goods in accordance with prescribed procedures (Art. 47 (1) of the Act).

2. Specific methods for designation of goods

An applicant is required to voluntarily designate, in principle, one or more product items as specified in the Schedule of Product Items in accordance with the Classification of Goods under the Enforcement Regulations of the Act in relation to which the trademark to be registered will be used, and state specific names of other goods or activities rather than comprehensive ones if said goods are to be designated but not found in the above Schedule or said activities are to be designated in an application for a business emblem.

[For reference only] Trademark registration application form

Electronic form available

(Front)

[Form 2]

APPLICATION FOR TRADEMARK REGISTRATION

Applying for: Registration of trademark Divisional transfer of registration Division of application
Conversion of registration Additional registration of designated goods Reapplication
 Type of right: Trademark Service mark Trademark/service mark Collective mark
Geographical collective mark Business emblem

Applicant:

Name:

Applicant code:

Attorney-in-fact:

Name:

Attorney code:

General power of attorney registration no.:

Ref. no.:

Application no. of the parent application (or its registration no. or international registration no.):

Subject matter:

Classification of goods/services:

Designated goods (or services or activities):

(Claimed priority:

Country in which application is filed:

Application no.:

Date of application:

Evidentiary documents:)

(Claimed exceptions:)

(Type of trademark: Color trademark Three-dimensional trademark Hologram trademark
Motion trademark Trademark consisting of any other visually recognizable things

(No. of drawings (pictures):)

(Description of trademark:)

I hereby submit the above application to the Korean Intellectual Property Office.

Applicant (attorney-in-fact)

(seal)

Fees: (Refer to Par. 13 of the Instructions)

Application fee: Korean Won for items

(Fee for claiming priority: Korean Won for items

Total: Korean Won

Attachments: One copy of each document as prescribed by law (Refer to Par. 11 of the Instructions)

210 mm 297 mm(archival paper (Type 2) 70g/m²)

(Reverse)

1. Type of application and applicable provisions

Applying for	Description	Applicable provisions
Registration of trademark	Where applying for the initial registration of a trademark, service mark, trademark/service mark, collective mark or business emblem	Article 9 of the Act Article 4 of the Enforcement Regulations
Divisional transfer of registration	Where applying for the divisional transfer of a part of a previous application	Article 12 of the Act Article 7 of the Enforcement Regulations
Division of application	Where applying for the division of a previous application	Article 18 of the Act Article 11 of the Enforcement Regulations
Conversion of application	Where applying for the conversion between a trademark registration, a service mark registration and a business emblem registration; or the conversion of a registration renewal application or additional registration of designated goods into a trademark registration application	Article 19 of the Act Article 12 of the Enforcement Regulations
Additional registration of designated goods	Where applying for the additional registration of designated goods for a trademark registration or application	Article 47 of the Act Article 18 of the Enforcement Regulations
Reapplication	Where applying for the conversion of an international registration into a domestic application	Article 86-39 or 86-40 of the Act Article 35 of the Enforcement Regulations

2. Processing

Filing of an application	Acceptance and issuance of a filing receipt	Examination of filing requirements	<ul style="list-style-type: none"> - Filing requirements met : Application forwarded to an applicable dept. - Filing requirements not met : Notice of amendment or rejection
Applicant	KIPO	KIPO	KIPO

INSTRUCTIONS

1. Applying for:
Check the box next to what you apply for.
2. Type of right:
 - a. Choose the legal right you are seeking among: “trademark,” “service mark,” “trademark/service mark,” “collective mark,” “geographical collective mark,” and “business emblem.”
 - b. If you are applying for the conversion of a registration, choose among: “trademark,” “service mark,” “collective mark” and “trademark/service mark”
 - c. If you are filing a reapplication, you may not choose “business emblem.”
3. Applicant:
 - a. If you have an applicant code:
Fill in the “name” column with your (or the corporation’s) name in Korean as stated in the application for the applicant code.
 - b. If you do not have an applicant code:
 - (1) On the rows below the “Applicant” column, create and fill in the following columns: “Name in Korean,” “Romanized name,” “Resident reg. no. (or Corporate reg. no.),” “Applicant class,” “Tel. no.,” “Zip code,” “Address,” “E-mail address,” and “Cell phone no.”
Fill in the “name” column with your (or the corporation’s) name in Korean as stated in the application for the applicant code.
 - (2) Fill in each column under the “Applicant” heading by referring to the Instruction 1 of Form 4 as attached to the Enforcement Regulations.
 - (3) The applicant is required to affix his own registered seal impression at all times. Create a “Seal of applicant” column in the page following the page that has the “Attachments” column, and make a clear impression of the applicant’s seal in a 4 cm by 4 cm box. If there are two or more applicants, create an “Applicant’s seal” column and affix an impression for each and every applicant.
 - c. Common requirements
 - (1) If two or more applicants are filing out an application and a notice of appointment of the representative at the same time, then on the row below the “Applicant code” column, create a “Note” column and fill it in with the name of the representative, and write in the “Attachments” column the name of the document evidencing that the person so named is the representative, in which the document must be attached to the application.
 - (2) If two or more applicants are filing an application and their fractional ownership is agreed upon, then on the row below the “Applicant code” column (or below the “Note” column if there is a representative or below the “Address” column if there is no applicant code), create a “Fractional ownership” column and make statements of fractional ownership in fractions as in “Applicant having/of owner-

ship,” and write in the “Attachments” column “Ownership Agreement,” in which the document must be attached to the application.

- (3) If the approval, permission, consent, or acceptance of a third person is required, then on the row below the “Note” column, create a “Reason why the consent of a third person is required” column and fill it in. Write in the “Attachments” column the name of the document evidencing it, in which the document must be attached to the application.
- (4) If the application is filed by a voluntary representative other than a patent attorney or patent law firm, acting for and on behalf of the applicant, or by a legal representative for a minor, incompetent or quasi-incompetent person, then on the row below the “Applicant” column, create a “Legal/voluntary representative” column and fill it in with the name and applicant code of the representative as in the following example, and attach to the application the document evidencing power of attorney.

[Example] Applicant:

Legal/voluntary representative:

Name:

Applicant code:

4. Attorney-in-fact:

- a. If the procedures are carried out by an attorney-in-fact, state the name and code of the attorney-in-fact (or patent law firm). In the case of a patent law firm, create an “Attorney of record” column on the row below the “Attorney code” column and write the names of all attorneys of record as in the following example:

[Example] Attorney-in-fact:

Name: (patent law firm)

Attorney code: (Attorney code of the patent law firm)

Attorneys of record: Patent Attorney , Patent Attorney

- b. If the attorney-in-fact has general power of attorney, create a “General power of attorney reg. no.” column on the row below the “Attorney code” and fill it in with the number as in the following example. If the attorney-in-fact has general power of attorney granted by two or more constituents, create and fill in a “General power of attorney reg. no.” for each and every constituent.

[Example] Attorney-in-fact:

Name:

Attorney code:

General power of attorney registration no.:

General power of attorney registration no.:

- c. If an attorney-in-fact has special power of attorney granted by less than all constituents, create and fill in a “Note” column on the row below the “Attorney code” under the “Attorney-in-fact” heading as in the following example:

[Example] Attorney code:

Note: Attorney-in-fact for applicant []

- d. If an attorney-in-fact has special power of attorney, write "Power of attorney" in the "Attachments" column, which document must be attached to the application, and make statements in the power of attorney by referring to Form 1 (Power of Attorney) attached to the Enforcement Regulations.

5. Ref. no.:

If a single person (applicant or attorney-in-fact) files two or more applications on a single day, create a "Ref. no." column on the row below the "Attorney-in-fact" column as in the following example, and write a serial number for each person submitting the application and each right, where numbering is restarted for each medium of filing (online, floppy disks, and paper documents).

[Example] Attorney-in-fact:

Ref. no.: 03

6. Application no. of the parent application (or its registration no. or international registration no.):

- a. When applying for divisional transfer, division or conversion, then state the application number of the parent application in the "Application no. of the parent application" column as in the following example:

[Example] Application no. of the parent application: 40-2007-1234567

- b. When applying for addition of designated goods, fill in the "Application no. of the parent application" prior to the registration of the parent application, or "Registration no. of the parent right" thereafter.
- c. When filing a reapplication, fill in the "International registration no." column.

7. Subject matter:

- a. Fill in the "Classification of goods/services" column with a product item as in the Product Items as attached as Schedule 1 or the Service Items as attached as Schedule 2 to the Enforcement Regulations of the Act. If applying for the registration of a business emblem, however, leave the "Classification of goods/services" column blank.
- b. Fill in the "Designated goods (or services or activities)" column with specific goods or services as notified pursuant to Articles 6 (1) and 6 (1) of the Enforcement Regulations; provided, however, that if the goods or services to be registered are not specified in the above notice or designated activities are to be stated in an application for a business emblem, make the statement as specific as possible.
- c. In the "Designated goods (or services or activities)" column, you may not use such phrases as "not included in other classifications," "all other," and "a number of."
- d. In the "Designated goods (or services or activities)" column, you may not use such phrases as "parts of ..." or "components of ..." If, however, it is necessary to designate certain parts and components, please expressly state the specific names of such parts and components.

- e. If designating two or more classes of goods/services, state a “Subject matter” for each and every class as in the following example:

[Example] Subject matter:

Classification of goods/services: Class 2

Designated goods (or services or activities): Unprocessed natural resins, metal protectants, and paints

Subject matter:

Classification of goods/services: Class 37

Designated goods (or services or activities): Installation of soundproofing for buildings, paperhanging works, leather goods repairs, and physical and chemical appliances repairs

- * Since a conversion application covers all product classes as stated in the parent application, leave the “Subject matter,” “Classification of goods/services,” and “Designated goods (or services or activities)” columns all blank.

8. Claimed priority:

- a. Fill in the “Claimed priority” column only when priority is claimed under the provisions of Article 20 of the Act. This column must be left blank otherwise.
- b. Fill in the “Country in which application is filed” column with one of the two-letter Roman alphabet codes as designated by the KIPO, and in the “Evidentiary documents” column with “Attached” if the documents evidencing priority are filed together with the application or “Not attached” if they are to be subsequently filed.
- c. If there are two or more claims of priority, make a statement for each and every claim as in the following example:

[Example] Claimed priority:

Country in which application is filed: US

Application no.: 123456

Date of application: July 1, 2007

Evidentiary documents: Attached

Claimed priority:

Country in which application is filed: JP

Application no.: 62-1234

Date of application: Aug. 1, 2007

Evidentiary documents: Not attached

9. Claimed exceptions:

If you intend to seek an exception under Article 21 of the Act immediately upon application, create and fill in “Claim of exception at the time of application,” “Name of exhibition,” and “Date of exhibition” columns on the rows below the “Claimed exception” column as in the following example. Fill in the “Attachments” column with the name of evidentiary documents and attach the documents to the application.

[Example] Claimed exceptions:

Name of exhibition:

Date of exhibition:

10. Type of trademark:

Select a type among: “Color trademark,” “Three-dimensional trademark,” “Hologram trademark,” and “Motion trademark,” and check the applicable box. “Trademark consisting of any other visually recognizable things” refers to a trademark consisting of visually recognizable things other than trademarks consisting of a symbol, text, figure, three-dimensional shape, color scheme, hologram, motion, or any combination thereof.

11. No. of drawings (pictures):

If the trademark to be registered is a hologram trademark, motion trademark or mark consisting of visually recognizable things, then state the number of drawings or pictures in the “No. of drawings (pictures)” column as in the following example, in which case, the number of drawings or pictures may not exceed a total of five.

[Example] No. of drawings (pictures): 2

12. Description of trademark:

If the trademark to be registered is a color trademark, three-dimensional trademark, hologram trademark, motion trademark or mark consisting of visually recognizable things, then create a “Description of trademark” column and provide a detailed description of the trademark specimen in lieu of the submission of a separate description. In this case, the description is, in principle, to be brief and precise, within 500 Korean letters.

[Example] No. of drawings (pictures): 2

Description of trademark: This trademark specimen consists of a video clip of flashes extending rays of light with a cloudy sky in the background. The next scene shows a torch held up by a woman standing on a large lotus.

13. Fees:

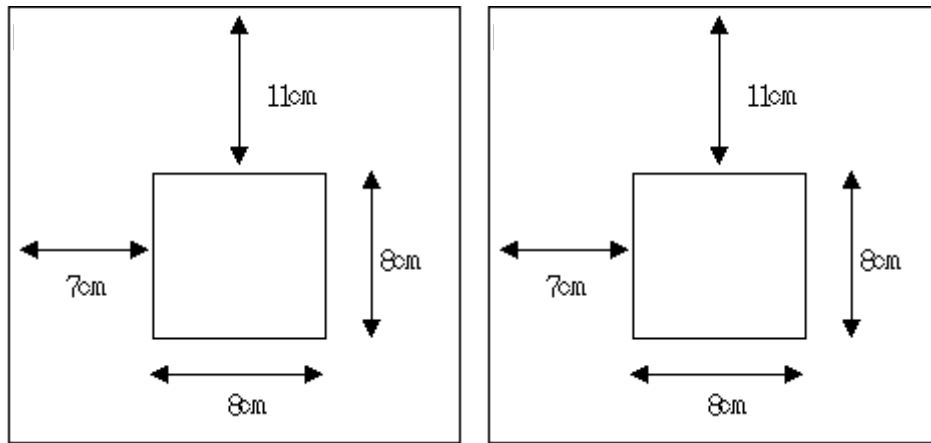
- a. Refer to Article 5 (1) of the Patent Fees Regulations Collection and list the fees payable at the time of application and their amounts. Fill in the “Application fee” column with the number of goods or services as stated in the application and the amount of application fee(s). If priority is claimed, fill in the “Fee for claiming priority” column with the number of goods or services and applicable amount of the fee, and the “Total” column with the sum total of all fees payable.
- b. You will be given a receipt number, which you are required to use as a payer number in making the payment no later than the following day.

14. Attachments:

- a. The documents to be attached to an application are as follows:
 - (1) 1 copy of a trademark specimen (only when applying for trademark registration);
 - (2) 1 copy of a description of the trademark (only if the mark consists of a color or a color scheme, a hologram, motion, or any other visually recognizable things);

- (3) 1 copy of each: articles of incorporation and its summary describing the provisions for the use of collective marks (only when applying for the registration of collective marks and geographical collective marks);
 - (4) 1 copy of a document evidencing compliance with the definition of a geographical indication (only when applying for the registration of geographical collective marks);
 - (5) 1 copy of a document evidencing nonprofit activities (only when applying for business emblems);
 - (6) 1 copy of a notice of change of applicant by divisional transfer (only when applying for the divisional transfer of registrations);
 - (7) 1 copy of a document evidencing the cause of divisional transfer (only when applying for the divisional transfer of registrations);
 - (8) 1 copy each of the following documents or things (only when deemed required by the applicant);
 1. A description of a color trademark (other than trademarks consisting solely of a color or a color scheme) or three-dimensional trademark,
 2. A copy of a description of designated goods,
 3. A copy of a translated or transliterated description of the trademark to be registered, and
 4. A copy of a video tape, CD-ROM, optical disk or any other electronic recording medium that contains a video clip showing the features of trademark specimens (only when applying for hologram or motion trademarks).
 - (9) 1 copy each of any other documents as prescribed by law (Refer to Pars. 4, 5, 8 and 9 of the Instructions)
- b. Preparation of trademark specimens
- (1) The image of the trademark specimen must be in JPEG (Joint Photographic Experts Group) format at 300 to 400 dpi (300 dpi recommended).
 - (2) The image of the trademark specimen must be completely inserted as a picture in the document and may not be linked using Object Linking and Embedding (OLE) or (Dynamic Data Exchange) features.
 - (3) The “Trademark specimen” column must begin on a new page as in the following example. For any specimen consisting of two or more drawings or pictures of a three-dimensional trademark, hologram trademark, motion trademark or mark consisting of visually recognizable things, each drawing or picture must be on a new page. In the case of a motion trademark, the drawings or pictures must be arranged in sequential order. In this case, the total number of drawings or pictures must be stated in the “Trademark specimen” column.

[Example]



Trademark specimen 5-1

Trademark specimen 5-2

- (4) The trademark specimen must be in an 8 cm by 8 cm rectangle with the top margin of 11 cm and the left margin of 7 cm on A4 sheets. The length and height of the trademark specimen may not exceed 8 cm each. For any trademark consisting solely of a color or a color scheme, an empty 8 cm × 8 cm rectangle must be filled with such color or color scheme.
- c. (3) The summary of articles of incorporation describing the provisions for the use of collective marks as required to be attached, is to be prepared in accordance with Form 3 (Summarized Articles of Incorporation) attached to the Enforcement Regulations of the Act.
- d. The notice of change of applicant by divisional transfer must, in principle, be prepared as shown in the following example.

Name of document: Transferor: Name: (Resident reg. no.): Address: Transferee: Name: (Resident reg. no.): Address: Identification of parent application: Application no.: Date of application: Classification of goods/services:

Subject matter:

Classification of goods/services:

Designated goods (or services or activities):

Cause of change:

Date of transfer:

Gist: We hereby file the above notice in accordance with Article 7 of the Enforcement Regulations of the Trademark Act.

Transferor (Attorney-in-fact) (seal)

Transferee (Attorney-in-fact) (seal)

[Example] The form of the notice of change of applicant by divisional transfer
e. Instructions on how to fill in the “Attachments” column

- (1) State the names and numbers of copies of the documents to be attached; you may not provide the names of any documents that are not filed together with the form.

[Example] Attachments: 1 copy of a Power of Attorney

- (2) In order to be exempted from the filing of the documents that may be retrieved on the G4C (Government for Citizen) network (resident register transcripts and extracts, corporate registry transcripts *etc.*), state the names and numbers of copies of applicable documents as well as any other information that may be necessary to retrieve the documents as shown in the following examples.

[Example 1] 1 copy of a corporate registry transcript [Name: _____, Resident reg. no.: 000000-0000000, Corporate reg. no.: 000000-0000000]

[Example 2] 1 copy of a resident reg. transcript/extract [Name: _____, Resident reg. no.: 000000-0000000]

[Example 3] 1 copy of a family register transcript [Name: _____, Resident reg. no.: 000000-0000000,
Domicile of origin: 00 xxxx-dong (-eup, -myeon, -ri) 0 tong 0 ban, xxxx-gu (-gun), 0000-si (-do)]

[Example 4] 1 copy of a certificate of business entity registration [Name: _____, Resident reg. no.: 000000-0000000, Business entity reg. no.: 000-00-00000]

[Example 5] 1 copy of an application for the verification of a person of national merit (or the bereaved) [Name: _____, Resident reg. no.: 000000-0000000, Patriot reg. no.: 000-000000]

f. Citation of documents

- (1) If any evidentiary documents is to be filed in connection with two or more procedures to be carried out concurrently (only those documents as prescribed

in: Article 7 of the Patent Act, applicable *mutatis mutandis* under Article 5 of the Act; Articles 20 (4) and 21 (2) of the Act; and Articles 6 through 9 of the Patent Act, applicable *mutatis mutandis* under Article 36 of the Enforcement Regulations of the Act) are identical, then you may file one original copy of a document for only one procedure and photocopies for all other procedures, including citations as in the following example:

[Example] 1 copy of a Power of Attorney [cited: the copy attached to the document filed on the same date]

Name of document: Application for Trademark Registration

Application no.: 40-2007-1234567

- (2) If any evidentiary document is to be filed in connection with a current procedure (only those documents as prescribed in: Article 7 of the Patent Act, applicable *mutatis mutandis* under Article 5 of the Act; Articles 20 (4) and 21 (2) of the Act; and Articles 6 through 9 of the Patent Act, applicable *mutatis mutandis* under Article 36 of the Enforcement Regulations of the Act) is identical to one that has already been filed with KIPO or the Korean Intellectual Property Tribunal (hereinafter referred to as the “KIPT”), then you may provide a citation as in the following example and be exempted from filing the same document.

[Example] 1 copy of a Power of Attorney [cited: the copy attached to the document as set forth below]

Name of document: Petition

Proceeding no.: 2001-Dang-123456

- g. Notes for the filing of electronically converted (scanned) images of documents
- (1) Any electronic image as filed as an attachment must be in monochrome TIFF (Tagged Image File Format) format at 300 to 400 dpi (300 dpi recommended).
 - (2) If absolutely necessary, grayscale or color images may be submitted in JPEG (Joint Photographic Experts Group) format at 300 to 400 dpi (300 dpi recommended).
- h. Attachments may be submitted in PDF (Portable Document Format) format.
- i. Any electronic file containing the specimen of a hologram or motion trademark must be in such general multimedia formats, such as WAV (Waveform), MP3 (MPEG-1 Audio Layer 3) and MPEG (Moving Picture Experts Group), not exceeding 10 MB in size.

15. Additional notes

Any and all applicants or attorneys-in-fact must sign and affix their seals to all forms. The seals to affix are: those as used at the time of applicant registration (or patent attorney registration if the attorney-in-fact is a patent attorney, or patent law firm registration if it is a patent law firm) or those as updated by an applicant code information modification (update) notice, if any.

SEC. 2 ADDITIONAL REGISTRATION OF DESIGNATED GOODS

I. Overview

1. Significance

“Additional registration of designated goods” refers to the procedure by which a trademark owner or applicant may register additional designated goods for a registered trademark or a trademark registration application (Art. 47 of the Act).

2. Institutional intent

This procedure is intended to allow the trademark owner to add additional designated goods that either have been omitted at the time of application or registration, or need to be added due to changes in circumstances or simply to expand the scope of his rights; provided that by integrating such additional designated goods into the parent trademark will ensure easier management for the trademark owner.

II. Requirements for additional registration of designated goods

1. Existence of the parent trademark

Additional registration of designated goods requires a parent trademark registration or parent trademark registration application to validly exist. It is therefore impossible to register additional designated goods if the trademark has lapsed or a trademark registration application has been invalidated, withdrawn, abandoned or denied.

2. Identity of the subject

A person applying for additional registration of designated goods must be a trademark owner or trademark registration applicant, or his legitimate successor who has completed the registration of transfer or notification of change of applicant.

3. Identity of the trademark

Since the trademark itself is not subject to change, it must be identical to the parent registered trademark or parent trademark registration application.

4. Additional designated goods

Although the Trademark Act as effective prior to March 1, 1998 adhered to the principle of “one application for one class of goods” and thus allowed additional registration of goods only within the same class of goods, the Act as amended in 1997 adopted a “one

application for multiple class of goods” system and therefore does not require additional goods to fall within a single class.

5. No grounds for denial

Since an application for additional registration of designated goods is one that is separate from the parent registration or application, the registrability is determined based on the time of the additional registration or filing.

III. Procedures

1. Filing of an application for additional registration of designated goods

Any person seeking additional registration of designated goods must file an application for additional registration of designated goods with KIPO, stating in addition to the statements required for an ordinary trademark registration application, (i) the registration number of the registered trademark or the application number of the trademark registration application, and (ii) the goods to be additionally designated and their classes.

2. Attachments to an application for additional registration of designated goods

An application for additional registration of designated goods requires the following attachments: (i) one copy of a trademark specimen; (ii) one copy of a document evidencing power of attorney, if applicable; (iii) one copy of a document evidencing non-profit activities if applying for additional registration of designated activities; (iv) articles of incorporation governing the use of a collective mark if applying for additional registration of designated goods for a collective mark or collective mark registration application; and (v) optionally a document evidencing distinctiveness acquired by use if the provision of Article 6 (2) of the Act is applicable to the trademark for which additional registration of designated goods is sought (Art. 18 of the Enforcement Regulations).

IV. Effect

1. Effect of additional registration of designated goods

The Trademark Act does not have express provisions regarding the effect of additional registration of designated goods. However, the interpretation of the intent for the additional registration of designated goods procedure has been established that additional registration is integrated into the parent trademark and thus the terms of registration coincide

with the parent registration. The additional registration, therefore, lapses upon the lapse of the parent trademark.

2. Uniqueness of the application for additional registration of designated goods

Although the registration of additional designated goods is integrated with the parent trademark, if there is a final denial of the application, then it will not affect the parent trademark or application. Even if any additional goods are erroneously registered, a proceeding to invalidate the additional registration of designated goods merely results in the lapse of such registration and does not affect the parent trademark.

SEC. 3 APPLICATION FOR RENEWAL OF TRADEMARK REGISTRATIONS

I. Overview

1. Significance

The term of a trademark registration is the ten-year period from the date of registration. “Renewal of a trademark registration” refers to a prescribed procedure whereby the extension of a trademark registration for another ten years may be applied for (Art. 42 of the Act).

2. Institutional intent

This procedure is put in place as the continued use by a trademark owner of its registered trademark does not prejudice any third party and protects the reliance interests of general consumers that they rely on the trademark as an indicator of a particular source.

II. Requirements for renewal of trademark registrations

1. Identity of the subject

A person applying for renewal of a trademark registration must be the owner of the mark or his successor who has completed the registration of transfer. For any jointly owned trademark, all joint owners must jointly file an application (Art. 43 (3) of the Act).

2. Identity of the object

The trademark that is sought to be renewed must be identical to the parent trademark. The designated goods for an application for renewal must be within the extent of the

designated goods for the parent trademark and may not add to or substantially extend the prescribed extent.

3. Application within a certain period

The application for renewal of a trademark registration must be filed within one year prior to the expiry of the trademark (the main clause of Art. 43 (2) of the Act); provided, however, that even if no application is filed within this period, the renewal may be applied for within six months of the expiry of the trademark (the proviso of Art. 43 (2) of the Act).

III. Procedures

Any person intending to obtain the renewal of a registration must file an application for renewal of trademark registration, stating, in addition to the statements required for an ordinary trademark registration application, the registration number of the registered trademark (Art. 43 (1) of the Act).

IV. Effect

1. Effect of application for renewal of a trademark registration

Where an application for renewal of a trademark registration has been filed, the registration is *prima facie* deemed to have been renewed to prevent loss of rights resulting from any delays in examination (the main clause of Art. 46 (1) of the Act) unless and until said application is denied with finality (the proviso of Art. 46 (1) of the Act).

2. Effect of renewal of a trademark registration

As the renewal of a trademark registration takes effect on the day immediately following the expiry of the parent registration (Art. 46 (2) of the Act), the registration remains valid for another ten years starting on said date.

SEC. 4 Application for reclassification of goods

I. Significance

“Application for reclassification of goods” refers to a procedure by which any trademark owner who has obtained the registration of a trademark, the additional registration of designated goods or the renewal of registration in relation to designated goods under the former Korean Classification of Goods as effective prior to March 1, 1998 may apply

for the registration of such designated goods for the registered trademark as reclassified according to the International Classification of Goods as prescribed by the Decree of the MOCIE effective at the time of the application thereof (the main clause of Art. 46-2 (1) of the Act).

II. Institutional intent

As the Trademark Law Treaty precludes substantive examination of the application for renewal of trademark registrations, the Trademark Act as amended in 2001 may no longer force such designated goods as previously registered in accordance with Korea's former classification system into being reclassified in compliance with the International classification system under the Enforcement Regulations. The former system of trademark renewal requiring such reclassification, therefore, was abolished, but it remained necessary to have a uniform classification system for the sake of prompt and uniform examination processes and easy trademark searches. Hence, the result was the introduction of a reclassification registration system as a separate procedure from the renewal of trademark registrations.

III. Requirements

1. Existence of the parent trademark

Application for reclassification of goods requires a parent trademark registration or parent trademark registration application to validly exist.

2. Identity of the subject

A person applying for reclassification of goods must be the owner of the mark or his successor who has completed the registration of transfer. For any jointly owned trademark, all joint owners must jointly file an application (Art. 46-2 (4) of the Act).

3. Identity of the object

Any application for reclassification of such designated goods as different from the designated goods for the registered trademark or any application for reclassification that effectively extends the extent of designated goods, is to be denied (Art. 46-4 (1) 1 of the Act). Furthermore, the application for reclassification is also denied if the goods designated in the application do not comply with the Classification of Goods as prescribed by the Decree of the MOCIE (Art. 46-4 (1) 2 of the Act). Since this procedure merely changes the classification of designated goods, the trademark is naturally treated the same as the parent registered trademark.

4. Temporal requirements

It is stipulated that the application for reclassification of goods be filed within one year prior to or six months after the expiry of the term of a trademark registration (Art. 46-2 (3) of the Act).

IV. Procedures

Any person intending to apply for reclassification of designated goods must file an application stating the designated goods and their classes with KIPO. In addition, any person intending to apply for both a renewal of a trademark registration and a reclassification of designated goods, may state such intention and the designated goods and their classes on the application for renewal in lieu of submitting a separate application for reclassification.

V. Effect of reclassification of designated goods

When an examining attorney makes a decision to register the reclassification of designated goods, KIPO is to register the same (Art. 46-5 of the Act). The scope of protection for such designated goods that are deemed to be reclassified are specified in the an application for reclassification (Art. 52 (2) of the Act). Additionally, any trademarks to be used in relation to such designated goods that may become subject to reclassification should lapse upon the expiration of the term of registration in which the period of registration for such reclassification expires if (i) the trademark owner fails to register reclassification of designated goods within a period starting one year prior to the expiry of trademark registration and ending six months after such expiry; (ii) the registration of reclassification is withdrawn; (iii) the registration of reclassification procedure is invalidated; (iv) there is a final decision to deny the registration of reclassification; or (v) there is a final decision to invalidate the registration of reclassification.

SEC. 5 Amendment of applications

I. Overview

1. Significance

“Amendment of an application” refers to the remedying of procedural or substantive defects in an application that is to be performed by the order of KIPO or the KIPT or voluntarily by the applicant within a certain period, in compliance with the requirements

as prescribed by law and within an extent not modifying the essentials of the application, or in a manner consistent with the genuine intent of the applicant.

2. Institutional intent

Korean trademark law currently adheres to following principles: the "putting it in writing" principle, the principle of formality, the principle of "Korean only", and the "first-to-file" principle. The "first-to-file" principle entitles only the first applicant the opportunity to register. Therefore, the applicant often hastily hurries to file an application, which is prone to leave procedural or substantive defects. In light of this practical outcome, the amendment procedure is intended to overcome the drawbacks of the "first-to-file" principle and protect the interest of the applicant, who might be adhering to the "first-to-file" principle, but all the while relying on the use of the amendment which allows any amendment within a certain extent that does not modifying the essential substance of the application.

II. Types of amendments

Amendments may be classified into procedural amendments and substantive amendments depending on what is to be amended, as well as amendments by order and voluntary amendments by the applicant according to its form. This Subsection briefly discusses these types of amendments as classified according to what is to be amended.

III. Procedural amendment

1. By an amendment order

Where any application, request or other procedure for a trademark falls under any of the following, KIPO or the KIPT is required to order an applicant to amend it within a fixed period (Article 13 of the Act):

- (i) where the procedure is in opposition of the provisions of Article 3 (1) or 6 of the Patent Act which is applicable *mutatis mutandis* under Article 5 of the Act;
- (ii) where the procedure is contrary to the form as determined by the Act or an order issued under the Act; and
- (iii) where any fee payable under Article 37 of the Act has not been paid.

2. Voluntary amendment by the applicant

An applicant may voluntarily amend any procedural defects despite the lack of an amendment order given by KIPO or the KIPT.

IV. Substantive amendment

1. Pre-publication amendment

An applicant may make amendments, in principle, before a notice of a decision to allow or deny trademark registration is served. An applicant may also make an amendment within thirty days of the filing of a proceeding against a denial decision, if any or within the period in which an opinion may be submitted in connection with the grounds for denial as notified by a judge (Art. 14 (2) of the Act). In this case, the applicant may amend such designated goods and trademark as stated in his application in a manner to (i) reduce the extent of designated goods; (ii) rectify clerical errors; (iii) clarify obscure entries; and/or (iv) delete supplementary parts of the trademark within a certain extent that does not modify the essentials of the first application.

2. Post-publication amendment

Despite any prior service of a certified copy of a decision to publish an application in the Official Gazette, the applicant may amend designated goods and his trademark: (i) within the period as designated by an examining attorney or judge in which an opinion may be submitted in connection with grounds for denial as notified by the examining attorney or judge; (ii) within the period as designated by an examination in which a rejoinder may be filed in response to an opposition to registration, if any; or (iii) within thirty days of the filing of a proceeding against a denial decision (Art. 15 of the Act). In this case, the designated goods and trademark may be amended within a certain extent that does not modify the essentials of the first application for trademark registration as to matters specified in the ground for denial, opposition, or decision to deny a trademark registration.

V. Modification of essentials

1. Significance

Essentials of an application are the prime constituents of a trademark as identified in the application and any other documents indicating the trademark, and consist of designated goods and the trademark. In light of this, allowing the applicant to modify designated goods and his trademark into something different from those stated in the first application would prejudice the interests of later applicants or innocent third persons as well as lead to excessive amending after filing and is likely to trigger additional examination procedures. Any material modification made to the extent that no identity is recognized in the comparison of the substance of the first application and amendments, therefore, is deemed as the modification of essentials and thus rejected (Art. 17 (1) of the Act). Any modified

essentials discovered after trademark registration, however, receives extraordinary treatment to reconcile the interests of the first applicant and later ones.

2. Amendments not deemed as modification of essentials

The Act negatively demarcates the scope of the modification of essentials. The following amendments, in principle, are deemed not to fall under the modification of essentials, and is thus accepted:

- (1) reduction of the scope of designated goods;
- (2) rectification of any clerical error;
- (3) clarification of any obscure entry; and
- (4) deletion of supplementary parts of the trademark.

3. Trademarks registered despite undiscovered modification of essentials

(1) Pre-publication amendment

If any amendment of a trademark or designated goods concerning an application for trademark registration made before the service of a certified copy of decision to publish the application in the Official Gazette, modifies the essentials and is discovered after trademark registration, then the application is deemed to have been filed at the time the amendment thereof is submitted (Art. 16 (2) of the Act).

(2) Post-publication amendment

If any amendment is made on an application for trademark registration after the service of a certified copy of decision on publication for the application and it is discovered after trademark registration to have violated the provisions of Article 15, then the trademark is deemed to have been registered by the time of the application prior to amendment (Art. 16 (3) of the Act).

VI. Amendment requirements and procedures

1. Requirements

The acceptance of any amendment to an application requires: (i) the parent application to be duly pending; (ii) the identity of the applicant to be maintained prior to and after the amendment; and (iii) a written amendment meeting the required period and substance to be filed.

2. Procedures

Any person intending to amend his application must file a written amendment in Form 4 attached to the Enforcement Regulations with KIPO or the KIPT.

VII. Effect of amendment

1. Lawful amendment

A procedural amendment made in compliance with an amendment order results in having the effect of a pending application. In contrast, a substantive amendment is deemed to have a retroactive effect to the date of application, as if the first application were filed as so amended.

2. Unlawful amendment

(1) Invalidation of the procedure and rejection

Failure to comply with an order of procedural amendment is subject to the invalidation of the procedure by KIPO. In addition, any substantive amendment as filed after the expiration of the period in which amendments may be made, is deemed an unlawful amendment and thus rejected (Art. 2 (1) 7 of the Enforcement Regulations), thereby examination is to be based on the original application.

(2) Decision to dismiss amendment

If any amendment to an application falls under the modification of essentials, the examining attorney will dismiss the amendment (Art. 17 (4) of the Act). If any amendment made prior to the decision to publish an application in the Gazette falls under the modification of essentials, then no decision to allow or deny registration may be made until thirty days after a certified copy of a decision to reject is served. If the decision to dismiss is made prior to the decision to publish the application, then the public notification decision may not be made at all. Finally, if any applicant requests a proceeding against the decision to reject amendment, the examination of the applicable application must be suspended until the decision rendered in the proceeding becomes final (Art. 17 (3) of the Act).

SEC. 6 DIVISION OF APPLICATIONS

I. Overview

1. Significance

“Division of an application” refers to the procedure by which an application for trademark registration is divided into two or more applications within the period of amendment where the parent application is filed in relation to two or more classes of designated goods (Art. 18 (1) of the Act). Division of an application for trademark registration, therefore, is not analogous to the divisional patent application that divides inventions,

but instead merely a division by designated goods, not the division of the trademark itself.

2. Institutional intent

If an applicant is notified of grounds for denial of registration for only part of the designated goods but does not wish to amend his application by deleting the designated goods in question, then division of the application will allow the applicant to obtain a registration for the rest of designated goods for the time being and the divided application will have a retroactive effect to the date of the parent application; this procedure is intended to maintain the interests of the prior applicant and allow him to continue with examination procedures by filing opinions and so forth.

II. Requirements

1. Substantive requirements

As division of an application means division of an application in relation to two or more classes of goods into two or more applications within the period in which amendment may be made, approval of a divisional application requires that: (i) the applicant must have filed the application in relation to two or more classes of goods; (ii) the trademark as stated in the initial application be identical to the mark in the divisional application; (iii) the initial applicant and the person filing the divisional application be identical, or in other words, the initial applicant be either identical to the applicant after the division or a successor thereto; and (iv) the classes subject to the division be limited to those stated by the applicant in the initial application.

2. Procedural requirements

Division of an application requires the application to be currently pending, and to be divided within the period in which amendments may be made under Articles 14 or 15 of the Act. Therefore, any application for which a decision to deny or approve registration has become final or the procedure is invalidated, or that has been withdrawn or abandoned, may not be subject to division; likewise, no division can be filed after a decision to approve registration is made or a decision is rendered in a proceeding.

III. Procedures

Any person intending to divide an application must file Form 2 of the trademark registration application (Applying for: Division of application) attached to the Enforcement Regulations with KIPO. When filing this form, the procedure would have required one

to repeat steps of the original application as a divisional application is a new application. However, any documents filed as an attachment to the parent application and not requiring modification may be cited and therefore, one does not need to re-attach the previously attached documents.

IV. Effect

1. Lawful division

A divisional application is deemed to have been filed at the time of the initial application (Art. 18 (2) of the Act). Note, however, that a retroactive effect is recognized in either the case of a priority claimed under a treaty and filing of evidentiary documents (Arts. 20 (3) and 20 (4) of the Act) or an exception claimed at the time of the application and filing of evidentiary documents (Art. 21 (2) of the Act); a retroactive effect would result in the expiration of the period in which such priority or exception is claimed or evidentiary documents may be filed, thus producing adverse results for the applicant. Therefore, the retroactive effect is not recognized under this provision and documents may be filed within the period starting from the date of filing for the divisional application.

2. Unlawful division

Since a divisional application must be filed within a period in which amendments may be made, any divisional application filed after such period is deemed unlawful and is thereby returned to the applicant (Art. 2 (1) 7 of the Enforcement Regulations).

SEC. 7 MODIFICATION OF APPLICATIONS

I. Overview

1. Significance

"Modification of an application" refers to the *pro-forma* modification of an application within the confines of the Trademark Act while the identity and the substance of the applicant are maintained. Put in another way, it refers to the conversion among trademark applications, service mark applications and collective mark applications; applications for additional registration of designated goods; or the conversion of an application for renewal of registration into one for trademark registration (Art. 19 of the Act).

2. Institutional intent

This procedure is intended to protect the interests of the applicant and prevent overlapping of procedures resulting from reapplication by allowing the applicant to rectify the mistake of choosing the wrong application form, all the while maintaining the status as a prior applicant.

II. Conversion eligibility

Although the former Trademark Act only allowed conversion between trademark applications and service mark applications and disallowed conversion of applications among trademarks, collective marks and business emblems or among service marks, collective marks and business emblems, the Act as amended in January 2007 now permits conversion of applications among trademarks, service marks and business emblems (Art. 19 of the Act; effective July 1, 2007). In addition, the amendment in January 2007 also allows the conversion of an application for additional registration of designated goods or renewal of a trademark registration into a trademark registration application (effective July 1, 2007).

III. Requirements

1. Substantive requirements

Conversion of an application requires: (i) the parent application to exist; (ii) the object of the application to remain identical; and (iii) the person filing the parent application to be identical to the person filing for conversion.

2. Procedural requirements

The conversion of an application requires the parent application to be pending with KIPO and must be made before the decision on registration of the trademark is made or a final decision is rendered in a proceeding.

IV. Procedures

The conversion of an application requires a new application procedure. Therefore, the applicant must state the gist of the trademark registration application in Form 2 (Applying for: Conversion of application) attached to the Enforcement Regulations, pay a prescribed conversion application fee and file the application with KIPO.

V. Effect

1. Lawful conversion

(1) Retroactive effect on the filing date and exceptions thereto

A conversion application is deemed to have been filed at the time of the initial application (Art. 18 (2) of the Act). Note, however, that a retroactive effect is recognized in either the case of a priority claimed under a treaty and filing of evidentiary documents (Arts. 20 (3) and 20 (4) of the Act) or an exception claimed at the time of the application and filing of evidentiary documents (Art. 21 (2) of the Act); a retroactive effect would result in the expiration of the period in which such priority or exception is claimed or evidentiary documents may be filed, thus producing adverse results for the applicant. Therefore, the retroactive effect is not recognized under this provision and documents may be filed within the period starting from the date of filing for the conversion application.

(2) Deemed withdrawal of the parent application

The initial application is deemed to have been withdrawn (Art. 19 (5) of the Act). The purpose is to prevent overlapping of applications since the conversion would give rise to a new application *pro forma*.

2. Unlawful conversion

As a conversion application must be filed before the decision on registration of the trademark is made or a final decision is rendered in a proceeding (Art. 19 (4) of the Act), any conversion application filed after such period is deemed unlawful and returned to the applicant (Art. 2 (1) 7 of the Enforcement Regulations).

SEC. 8 Priority under treaty

I. Overview

1. Significance

"Priority under treaty" refers to the system whereby if a national of a contracting party to a treaty that acknowledges trademark priority for Korean nationals has filed for trademark registration in said country (hereinafter referred to as "Country 1") and claims priority in connection with an application for the same trademark filed in Korea (hereinafter referred to as "Country 2"), the initial date of filing is deemed as the date of filing in Korea for the purpose of determining priority of filing (Art. 8 of the Act) (Art. 20 (1) of the Act).

2. Institutional intent

Although any applicant seeking to obtain trademark registrations in a number of countries due to active international trade in goods is afforded complete protection only with simultaneous application in each individual country, yet time, distance constraints, language barriers and different legal systems in different countries make such filing practically impossible. In light of this challenge, the system is arranged in the Paris Convention to pursue international protection of trademarks, ensuring the practical effect of the principle of national treatment.

II. Applicability requirements

1. Earliest and formal application

The application on which any claim for priority may be based is limited to the earliest application filed in any contracting parties. The second or third application, therefore, may not be used as a ground for claimed priority because otherwise it would effectively extend the period in which priority may be claimed. Furthermore, the application on which any claim for priority may be based must be recognized as a formal application in a contracting party, where "formal application" refers to an application that is formally filed, accepted and given a filing date within the contracting party regardless of its outcome.

2. Subjective entity requirements

Any claim of priority requires the claimant to be either a national of a contracting party to the Paris Convention or a national of a non-contracting state (including those without nationality) who has a domicile, industrial or commercial establishment within a contracting party. Furthermore, the applicant in Country 2 must be either the same person as the applicant in Country 1 or his successor and is entitled to file an application in Country 2.

3. Objective requirements

The trademark that is being applied for in Country 2 must be identical to the trademark that is applied for in Country 1. The identity requirement in this context is in line with the Paris convention intent, which is not necessarily interpreted as physical and complete identity, and where trademarks need to be used with different supplementary parts in each country. Instead, the intent of the Paris Convention makes it necessary to permit any modification of supplementary parts insofar that it does not affect the identity of the trademark and does not modify the essential part under Article 16 of the Act. Furthermore, although the designated goods referred to in applications filed in both

Country 1 and Country 2 must be identical, it should be acceptable to designate goods by a comprehensive designation (*e.g.* clothing) in Country 1 and by a more detailed designations (*e.g.* *hanbok*, jeans, shorts) in Country 2.

4. Temporal requirements

Claim of priority requires an application to be filed in Country 2 within six months (the period in which priority may be claimed) of the filing date in Country 1 (Art. 20 (2) of the Act). If the bar date is an official holiday, the period is extended until the first following working day (Art. 4 C. (3) of the Paris Convention).

III. Procedures of claiming priority

1. Priority claimed at the time of the application for registration

Although priority arises at the time of the formal application within Country 1, it is merely a potential right. Therefore, in order to reap the benefits of priority, one is required to claim priority at the time of the application for trademark registration in Country 2 (Art. 4 D. of the Paris Convention).

2. Filing of documents evidencing priority

Any person claiming priority at the time of filing for trademark registration must file: (i) with KIPO, (ii) within three months of the filing of an application, (iii) the certified copies of the documents specifying the date of the initial application, trademark and designated goods as recognized by the government of the country in which it was filed (Art. 20 (4) of the Act). If such person fails to file the above documents within such period, the claim for priority loses its effect (Art. 20 (5) of the Act).

IV. Effect of claiming priority

1. Lawful

For the purpose of applying the provisions of Article 8 (Prior application), the date of filing in Country 1 is deemed as the day on which an application is filed in Korea as well (Art. 20 (1) of the Act).

2. Unlawful

Any defects in the requirements or procedures for claimed priority results in the forfeiture of priority only. Accordingly, examination is based on the date of actual filing in Korea.

SEC. 9 EXCEPTIONS CLAIMED AT THE TIME OF APPLICATION

I. Overview

1. Significance

The Act permits certain exceptions to be claimed at the time of the application filing. It is stipulated that if an applicant, who is entitled to have a trademark registered, files an application for registration of a trademark to be used in relation to such goods as displayed on any of the prescribed exhibitions held within six months of the filing, then the application be deemed to have been filed at the time of the display (Art. 21 of the Act).

2. Institutional intent

This system is intended to protect any person using a trademark for exhibits in an exhibition by establishing an exception to the "first-to-file" doctrine in certain circumstances for a period of time.

II. Applicability requirements

1. Subjective entity requirements

The exceptions require that the application is filed by the person who displayed goods bearing the trademark; note, however, that the applicability also extends to an application filed by the person to which the trademark is duly transferred from the exhibitor.

2. Objective requirements

(1) Exhibition

Exhibitions eligible for the exceptions include: (i) exhibitions held by the central or local government, (ii) exhibitions held with the approval of the central or local government, (iii) exhibitions held with the approval of the central government but in a foreign country, and (iv) exhibitions held by the government of a contracting party or a person approved by such government.

(2) Identity of goods and trademarks

The application must be filed in relation to the goods displayed at the exhibition, and the trademark used on such goods must be identical to the trademark whose registration was applied for.

III. Procedures

1. Exceptions claimed at the time of the application for registration

Although exceptions may be claimed at the time of registration of an application for goods that will be displayed at an exhibition, it is merely a potential entitlement. Nonetheless, one can reap the benefits of the exceptions provisions by claiming such exceptions at the time of registration for the trademark application.

2. Filing of evidentiary documents

Any person claiming exceptions at the time of application must file with KIPO documents evidencing the entitlement to the exceptions within thirty days of the filing of the application (Art. 21 (2) of the Act).

IV. Effect

1. Lawful

Any application for trademark registration that becomes entitled to the exceptions at the time of application is deemed to have been filed at the time of display. Therefore, the date of filing is determined to be on the date of display.

2. Unlawful

The failure to apply for trademark registration within the period for claiming exceptions or the failure of filing evidentiary documents within the prescribed period will result in the application being deemed to have been filed on the actual date of filing for the purpose of examination (Art. 40 (4) of the Guides).

CHAPTER IV INTERNATIONAL APPLICATION UNDER THE MADRID PROTOCOL

SEC. 1 GENERAL

Under the Madrid Protocol, the Office of origin accepts an international application filed by an international applicant and examines the statements therein before forwarding it to the International Bureau of WIPO, which in turn records it in the International Register and notifies each Contracting Party designated in the application if it meets certain filing requirements. The Office of each designated Contracting Party is then required to examine the international application under its laws and notify the International Bureau of any grounds for objection discovered within one year (or eighteen months if so declared by the Contracting Party) of the above notice given by the International Bureau. The Contracting Party must grant protection of the mark as if it had been directly filed and registered in its own territory. The renewal or transfer of an international registration may be filed either through the Office of origin or with the International Bureau, and it will become effective in all designated Contracting Parties upon the registration in the International Register by the International Bureau.

SEC. 2 PROCEDURAL PROVISIONS ADMINISTERED BY THE OFFICE OF ORIGIN

I. International application

1. Basics of international application

International trademark registration under the Madrid Protocol is a system that expands the geographical scope of protection based on a trademark application or registration existing in a Contracting Party to all countries designated in an international application. Accordingly, international application presupposes a trademark application or registration held by the same person with the Office of origin. Being of considerable significance as a foundation underlying international registration, a trademark application and registration are referred to as, respectively, basic application and basic registration. The Trademark Act provides that any person seeking an international registration under the provisions of Article 2 (1) of the Madrid Protocol can file an international application with KIPO on the basis of: (i) his own application for trademark registration, (ii) his own trademark registration, or (iii) his own trademark application and trademark registration (Art. 86-2 of the Act).

2. Entitlement to file

Any person entitled to file an international application with KIPO must be: (i) a Korean national, or (ii) a person having a domicile (or industrial or commercial establishment in the case of a juristic person) within Korea (Art. 86-3 (1) of the Act).

3. Procedures of international application

Any person intending to file an international registration with KIPO must submit to KIPO an international application and other documents required for international applications (Art. 86-4 (1) of the Act) as prepared in English (Art. 25 of the Guides), stating the following (Art. 86-4 (2) of the Act):

(i) the name and domicile of the applicant (or the name and location of the place of business in the case of a juristic person); (ii) statements concerning entitlement to file; (iii) the country or countries in which the applicant seeks protection for his trademark (including inter-governmental organizations; hereinafter referred to as the “designated Contracting Party”); (iv) the date of filing and the number of the basic application under the provisions of Article 2 (1) of the Madrid Protocol (hereinafter referred to as the “basic application”) or the date of registration and the number of the basic registration under the provisions of Article 2 (1) of the Madrid Protocol (hereinafter referred to as the “basic registration”); (v) the trademark for which international registration is sought; (vi) the goods for which international registration is sought, and their classes; and (7) any other statements as prescribed by the Decree of the MOCIE.

4. Processing of an international application

(1) Examination of statements and forwarding of an application to the International Bureau

The Madrid Protocol requires the Office of origin to: (i) verify the international applicant’s entitlement to file and check the consistency between the basic application (or basic registration) and the international application; (ii) certify the application; and then (iii) forward it to the WIPO International Bureau.

(2) Processing of an international application with irregularities

It is stipulated that KIPO may order the applicant or his attorney-in-fact to submit substitute documents within a specified period if an international application is not prepared as provided by the Trademark Act, the Enforcement Decree thereof and the Enforcement Regulations thereof (Art. 30 of the Guides); note, however, that if irregularities in the documents are not remediable, KIPO must return the documents to the applicant or his attorney-in-fact, stating the reason thereof.

II. Subsequent designation

1. Significance and usefulness

“Subsequent designation” refers to addition of designated Contracting Parties after the registration of a trademark in the International Register. Subsequent designation is useful where an applicant did not need to and did not designate a particular country or wanted to but could not because the country was not a Contracting Party to the Madrid Protocol at the time of international application, but he now intends to seek protection in that country by subsequently designating the country due to changes (such as a change in one’s business strategy or the country becoming a Contracting Party).

2. Requirements

An international registration of the same trademark must exist, and the new holder must be entitled to be an owner of the international registration if the holder has changed. Furthermore, the subsequently designated State must be a Contracting Party to the Madrid Protocol as of the date of the subsequent designation.

3. Filing of a subsequent designation

A holder of an international registration is required to file with KIPO a subsequent designation prepared in English if such person intends to file a subsequent designation through KIPO instead of directly filing the designation with the International Bureau.

4. Date of subsequent designation

The date of subsequent designation is: the date of receipt by the International Bureau if the designation is directly filed with the Bureau, or the date of receipt by KIPO if filed through KIPO.

5. Effect of subsequent designation

If requirements are met, the International Bureau records the subsequent designation in the International Register, publishes it in the WIPO Gazette of International Marks, and notifies the subsequently designated Contracting Party thereof. The subsequently designated State as so notified becomes subject to the same rights and obligations in all respects as any other state designated in the international registration.

III. Renewal of an international registration

Under the Madrid Protocol, an international registration lasts for ten years from the date of registration in all designated States including any subsequently designated States and may be automatically renewed in respect of the designated States stated for renewal purposes, for additional ten-year periods by filing for renewal and paying a renewal fee to the International Bureau.

IV. Request for changes in the ownership of an international registration

A request for a change in the ownership of an international registration may be made directly to the International Bureau as well as through KIPO. In this case, any person desiring to make a request for a change in the ownership of an international registration through KIPO must file the request in English with KIPO (Art. 86-8 of the Act). On a separate note, as the Trademark Act does not provide for any changes other than as mentioned above, *inter alia*, the name or address of the holder, thus any request for change in ownership must therefore be filed by the holder directly with the International Bureau.

V. Other procedures directly filed for with the International Bureau

The holder of an international registration must file the following directly with the International Bureau and not KIPO: a limitation of the list of goods and services, a renunciation, a cancellation, and finally a change in the address of the holder or his representative, if any.

VI. Payment of fees

Any person submitting to KIPO an international application, subsequent designation, request for renewal of an international registration, or request for a change in the ownership of an international registration, must pay a fee payable to KIPO in addition to any fees directly payable to the International Bureau.

1. Fees payable to the International Bureau

The Madrid Protocol provides for a total of three fees payable to the International Bureau: the basic fee, supplemental fee, and complementary fee, in which these fees must be directly paid by an international applicant to the International Bureau. In other words, the applicant or the holder of an international registration must pay the fees directly

to the International Bureau even though such person files an international application, subsequent designation, request for renewal, or request for the recording of a change in ownership through KIPO.

2. Fees payable to KIPO

Any person desiring to (i) file an international application, (ii) file a subsequent designation, (iii) file for renewal of an international registration through KIPO, or (iv) file for the recording of the change in ownership of an international registration under the Act, must pay KIPO certain fees.

SEC. 3 PROCEDURES AT THE INTERNATIONAL BUREAU

As the procedures at the International Bureau are not a matter between KIPO and an international application, they are provided for not in the Act but in primarily the Madrid Protocol and the Common Regulations.

I. Formal examination

1. Significance

An international application received by KIPO, the Office of origin, is forwarded to the International Bureau, which then conducts formal examination of the application for: *inter alia*, the international applicant's entitlement to file, the properness of designated Contracting Parties as stated and the appropriateness of the classification of goods, whether goods and classes are clearly stated, and amounts of fees paid.

2. Remedying of irregularities

Where the International Bureau considers that there is an irregularity in an international application forwarded to it by the Office of origin, it will communicate this fact both to the Office of origin and to the applicant. Whether the responsibility for remedying it lies with KIPO or with the applicant will depend on its nature. There are three types of irregularity, which may be remedied by the Office of origin or the applicant depending on the nature. These are: (i) irregularities with respect to the classification of goods and services, (ii) irregularities with respect to the indication of goods and services, and (iii) other irregularities.

II. International registration

1. Significance

If formal requirements are met, the International Bureau: records the trademark in the International Register, transmits a certificate of international registration to the holder, notifies the designated Contracting Parties and the Office of origin of the international registration, and publishes the registration in the Gazette.

2. Date of international registration

The date of international registration is, in principle, the date on which the Office of origin receives an international application, or the date on which the International Bureau actually receives the application if the application is forwarded by the Office of origin two months after the Office receives the application.

3. Content of the international registration

The international registration contains in addition to the statements found in the international application the following: the date of the international registration; the relevant classification symbols according to the International Classification of Figurative Elements (Vienna Classification); and an indication, with respect to each designated Contracting Party, as to whether it is designated under the Madrid Agreement or designated under the Protocol.

4. Effect of international registration

From the date of international registration by the International Bureau, if any, the protection of the mark in each of the designated Contracting Parties is the same as if the mark had been deposited (filed) directly with the Office of that Contracting Party. If no refusal is notified by the Office of origin having examined the international application to the International Bureau within the prescribed time limit or a refusal so notified is subsequently withdrawn, the protection of the mark in the Contracting Party concerned is the same as from the date of the international registration as if the mark had been registered by the Office of that Contracting Party.

III. Publication of the international registration

The International Bureau publishes the entire content of the international registration in the WIPO Gazette of International Marks. This international publication is deemed sufficient publication with respect to each of the Contracting Parties. As there are no provisions for domestic publication of international registration, each Contracting Party determines whether to make separate domestic publications or not.

IV. Notification to the Offices of the designated Contracting Parties

Immediately upon international registration, the International Bureau notifies each Office of the designated Contracting Party thereof. The content of the notification is the same as the content published in the Gazette: the date of international registration, the relevant classification symbols according to the International Classification of Figurative Elements, and all the data contained in the international application. The language of the notification is in principle the language used in the international application, or English or French if specifically required by the relevant Office.

SEC. 4 SUBSTANTIVE EXAMINATION BY THE OFFICE OF THE DESIGNATED CONTRACTING PARTY ON AN INTERNATIONAL APPLICATION

I. Substantive examination by the Office of the designated Contracting Party

Each Office of the designated Contracting Party must examine whether to grant protection for an internationally registered trademark under the provisions of its laws as if the application had been filed in its own territory; note, however, that the Office may not refuse to grant protection for an international application unless based on grounds recognized by the Paris Convention, and the Office cannot demand the submission of the application to be translated in its own language.

II. Time limit for notification of refusal

The time limit for notification of refusal is one year from the date on which the International Bureau notifies the applicable Office of the designated Contracting Party of an international registration, which, however, could be increased to eighteen months if declared by the Contracting Party. In that declaration, the Contracting Party may also specify that a refusal of protection resulting from an opposition may be notified to the International Bureau after the expiration of the period of eighteen months. In which case, the Office of the designated Contracting Party must notify a refusal of protection resulting from an opposition within seven months of the date on which the opposition period begins or one month from the expiration of the opposition period, whichever comes first.

III. Contents of the notification of refusal

During substantive examination, upon the discovery of any grounds for refusal, the Office of the designated Contracting Party must, within the above time limit for notification of refusal, notify the International Bureau of refusal stating in English or French the following:

(i) the Office of the designated Contracting Party making the notification; (ii) the number of the international registration; (iii) all the grounds for refusal, together with a reference to the corresponding law of essential provisions; (iv) if the international registration is in conflict with a prior mark of another person, then a reproduction of the mark, the name and address of the owner of the mark, and a list of all the goods or services covered by that mark (this list may be in the language of the said application or registration); (v) the time limit for filing a request for review of or appeal from the refusal, the competent authority, and that such request for review or appeal must be filed through an attorney-in-fact whose address is within the Contracting Party's territory; and (vi) the date of refusal.

The above requirements are also applicable if there is any opposition to an international trademark registration application.

IV. Procedures following notification of refusal

The International Bureau records the refusal in the International Register in both English and French, publishes it in the Gazette, and transmits a copy of the notification of refusal to the holder. The Office of the designated Contracting Party who has issued a notification of refusal is required to make the same remedies available as if the mark had been deposited directly with the Office; the holder of an international registration may submit an opinion or amendment for review purposes. In this case, however, the holder must appoint a representative whose address is within the applicable locations of the designated Contracting Party and follow appeal procedures in the language recognized by the applicable Office.

V. Effect of an international application in the absence of notification of refusal

Under Article 4 (1) of the Madrid Protocol, an international application will have the same effect as if it had been registered within a designated Contracting Party on the date of international registration unless the Office of said Contracting Party notifies the International Bureau of refusal within the appropriate time limit.

VI. Invalidation and cancellation of a trademark based on international registration

Having the same effect as a registered trademark under the laws of a designated Contracting Party in the absence of a notification of refusal by the Office of the designated Contracting Party, an international application is entitled to the same remedies against infringement by other persons. A trademark based on international registration may also be subject to invalidation or cancellation if there are grounds that can be brought under the laws of the designated Contracting Party.

SEC. 5 EXCEPTIONS ON APPLICATION FOR INTERNATIONAL TRADEMARK REGISTRATION UNDER THE ACT

I. Significance

Under the Madrid Protocol, an international application designating the Republic of Korea is also subject to substantive examination for registrability under domestic trademark law. In this instance, in order to apply the provisions for domestic trademark applications to an international application as a rule, it is also necessary to have a provision in place to consider the international application as a domestic application filed on the date of international registration or on a date of subsequent designation. To any international application designating Korea in reliance on this provision, all trademark law provisions in Korea, in principle, are also applicable unless otherwise expressly stated. Any conflict between the provisions of the Madrid Protocol and those of the Korean Trademark Act, however, would render it impossible to apply the provisions for domestic trademark applications under the Act as they are, thus making it necessary to provide certain exceptions that are described in this Section.

II. Application of the provisions for domestic applications as a rule

An international application that has been registered internationally under the Madrid Protocol and designated the Republic of Korea as a designated State (whether or not subsequently designated) is deemed as a domestic application filed on the date of international registration; provided, however, that if the Republic of Korea is subsequently designated in said international application, the date on which the subsequent designation is recorded in the International Register – date of subsequent designation – is deemed to be the filing date of the application within the territory of Korea (Art. 86-14 of the Act).

III. Provisions for exceptions for disagreement with the Madrid Protocol

Under the Madrid Protocol, no division or conversion of an international application or division of an international trademark is recognized; inheritance or other general succession does not take effect unless notified to the International Bureau; and renewal of a registration must be filed with the International Bureau. Where there are disagreements between the Protocol and Korean trademark law as such, there are provisions for exceptions to the applicability of the Trademark Act.

SEC. 6 EXCEPTIONS ON TRADEMARK APPLICATIONS TRANSFORMED INTO DOMESTIC APPLICATIONS

I. Dependence and independence of the international registration

1. Dependence on a basic registration

An international registration may be deemed as an expansion of the basic registration to the international level. Therefore, the effect of the international registration remains dependent on the basic registration for a dependency period of five years.

Put another way, if the basic registration lapses with respect to the Office of origin within five years of the date of international registration, then the international registration also loses its effect and thus lapses with respect to all designated Contracting Parties. Therefore, a party in interest may defeat the international registration for all designated Contracting Parties by means of a single refusal, invalidation or cancellation action against the basic registration or basic application with the Office of origin within the five-year term of the date of international registration. This process is generally known as the, “central attack.”

If a basic registration or basic application lapses within the five-year period or lapses thereafter because of some event occurring before the expiration of the five-year period, the Office of origin must notify the International Bureau thereof and request for the cancellation of the international registration, and the International Bureau must cancel the international registration and publish it in the Gazette. If the basic registration ceases to have effect in respect of only some of designated goods, the protection of the international registration is also restricted accordingly.

2. Independence from a basic registration

At the end of the five-year period from the date of international registration, the international registration maintains its own effect and becomes independent from the basic registration.

3. Transformation into a domestic application

The Madrid Protocol provides for a retroactive effect of the filing date under certain circumstances where a holder of an international registration intends to transform the registration into a national registration because the international registration lapses by a central attack or the applicant loses entitlement to file due to a denunciation of the Protocol by a Contracting Party (Arts. *9quinquies* and 15 (5) of the Protocol).

II. PROVISIONS FOR TRANSFORMATION INTO A NATIONAL REGISTRATION UNDER THE ACT

1. Exceptions on trademark applications following lapse of international registrations

If an international registration of a trademark that designated the Republic of Korea as a designated State (whether or not subsequently designated) lapses in respect of all or some of the designated goods under the provisions of Article 6 (4) of the Madrid Protocol, the holder of the international registration may file for the registration of the mark in respect of all or some of the designated goods with KIPO. In this case, the trademark application is deemed to have been filed on the date of international registration (or date of subsequent designation if applicable) if the following requirements are met. If priority under treaty is recognized for the applicable international registration, such priority is recognized for the application as well.

- (i) The application for trademark registration must be filed within three months of the date on which the international registration lapsed.
- (ii) The designated goods as referred to in the application must be all included in the list of goods or services for the international registration.
- (iii) The trademark whose registration is sought must be identical to the mark as referred to in the lapsed international registration.

2. Exceptions on trademark applications following denunciation of the Protocol

If a holder of an international registration designating the Republic of Korea as a designated State (whether or not subsequently designated) is no longer entitled to file under the provisions of Article 15 (5) (b) of the Madrid Protocol, the holder may file for the registration of the mark in respect of all or some of the designated goods with KIPO. In this instance, the trademark application is deemed to have been filed on the date of international registration (or date of subsequent designation if applicable) if the requirements listed below are met. Not that if priority under treaty is recognized for the applicable international registration, such priority is recognized for the application as well.

- (i) The application for trademark registration must be filed within two years of the date on which the denunciation becomes effective under the provisions of Article 15 (3) of the Protocol.
- (ii) The designated goods as referred to in the application are all included in the list of goods or services for the international registration.
- (iii) The trademark whose registration is sought must be identical to the mark as referred to in the lapsed international registration.

3. Exceptions on the examination and time bar for re-applications

The examination of a reapplication depends on whether the reapplication is in regards to a registered trademark of the same person that is registered under the provisions of Article 86-31 of the Act or of an international trademark that is not registered yet. In other words, any reapplication filed for the registration of a registered trademark held by the same person that is registered under the provisions of Article 86-31 of the Act, is exempt from examination and immediately granted registration (Art. 86-41 (1) of the Act). It is also provided as well that if the time bar for the invalidation proceeding against an existing trademark based on an international registration has expired, no invalidation proceeding may be brought against the trademark registered by reapplication (Art. 86-42 of the Act).

On the other hand, if the reapplication is filed for the registration of an international trademark that is not registered under the provisions of Article 86-31 of the Act, the filing date is merely deemed to have a retroactive effect and all examination procedures are carried out as if it were for a new application, as no trademark is registered within the country yet. Therefore, even if an application for a lapsed international registration is published or opposed to, the application may be published again upon substantive examination.

CHAPTER V EXAMINATION PROCEDURES

SEC. 1 EXAMINATION AND EXAMINATION PROCEDURES

I. Recognition of the filing date; acceptance and non-acceptance of application documents

1. Outline

When KIPO conducts a formal examination of application documents filed by an applicant, the Office: orders the applicant to remedy material defects, if any, concerning the filing date as discovered in an application for trademark registration application or additional registration of designated goods; rejects any documents containing material defects other than the application for trademark registration or the additional registration of designated goods; and accepts, for the time being, any documents containing non-material or merely formalistic defects and then finally, orders the applicant to make amendments.

2. Recognition of the filing date; acceptance and non-acceptance of application documents

(1) Recognition of the filing date; procedural supplementation

a. Recognition of the filing date

KIPO must recognize the date on which an application for trademark registration is received by it as the date of application for trademark registration except (Art. 9-2 (1) of the Act):

- (i) where the reason for seeking to obtain a trademark registration is not clearly stated;
- (ii) where the name of the applicant is not stated, or such statement is not clear enough to identify the applicant;
- (iii) where the trademark for which registration is sought is not indicated in the application or such indication is not clearly discernable as a trademark;
- (iv) where designated goods are not stated; and
- (v) where the application is not prepared in Korean.

b. Procedural supplementation

Where an application for trademark registration falls under any of the above items (i) through (v), KIPO must order the applicant to supplement the application within a reasonable period of time (Art. 9-2 (2) of the Act).

c. Supplementation by a procedural supplement

Where any person supplements an application for trademark registration pursuant to a procedural supplementation order issued by KIPO, such person must submit a supplementary document in compliance with the order (hereinafter referred to as a “procedural supplement”

(Art. 9-2 (3) of the Act). In this case, the applicant is merely required to submit a procedural supplement containing the trademark specimen or list of designated goods that is defective or lacking, and is not required to draft or submit all documents again.

d. The filing date as recognized

Where the applicant has supplemented his application either by a supplementation order within a prescribed period of time or voluntarily, the date on which the applicant filed a procedural supplement must be deemed as the date of filing for trademark registration (Art. 9-2 (4) of the Act).

e. Rejection of applications

KIPO may deem an application unlawful and reject it for trademark registration if the application is not supplemented by the person who has been ordered to do so within a prescribed period of time (Art. 9-2 (5) of the Act).

(2) Acceptance and non-acceptance of other application documents

Prior to the rejection of unlawful documents, the applicant is afforded the opportunity to give explanations about his application documents within a certain period of time. The applicable application documents are rejected if there are no explanations given with the documents within such period of time or when material defects are not remedied.

(3) Request for rejection

Any person who is notified by KIPO of reasons for probable rejection of unlawful documents, might want to have his application documents rejected and fees refunded so that he could file the application again as soon as possible if the filed documents are unlikely to be accepted despite the submission of written explanations. In this case, the applicant or his attorney-in-fact may request that the documents that have been submitted be rejected as soon as possible, even though it may be during the period in which he could still submit written explanations.

3. Objection to the non-acceptance of documents

Any person objecting to the non-acceptance (or rejection) of documents by KIPO may seek remedies by instituting administrative appeals under the Administrative Appeals Act or administrative suits under the Administrative Litigation Act.

II. Formal examination and orders of procedural amendment

KIPO or the KIPT is required to examine whether trademark applications, requests or other documents have been duly prepared (*i.e.* formal requirements) and order that any defects discovered therein be amended. More specifically, KIPO or the KIPT must order

that amendments be made within a prescribed period of time when: (i) filing is in violation of the provision of Article 3 (1) of the Patent Act (violation of the capacity provision) or of the provision of Article 6 thereof (violation of power of attorney), applicable *mutatis mutandis* under the provision of Article 5 of the Trademark Act; (ii) filing is in violation of the formalities as prescribed by the Act or an order under the Act; or (iii) the fees payable under the provision of Article 37 of the Act have not been paid.

III. Substantive examination and denial decision

Following formal examination, the examining attorney examines whether the application meets substantive requirements. The examining attorney must deny the application for trademark registration if any of the following grounds for refusal has been met (the main clause of Art. 23 (1) of the Act), or render a decision to publish the application in the Gazette if none of the grounds for refusal are met (Art. 24 (1) of the Act).

1. Grounds for refusal

The Act provides for grounds for refusal as in the following limited enumeration:

- (i) where any member of KIPO seeks to obtain or has obtained a trademark registration except by inheritance or bequest (the proviso of Art. 3 of the Act);
- (ii) where the requirements for trademark registration are not met (Art. 6 of the Act);
- (iii) where the trademark is unregistrable (Art. 7 of the Act);
- (iv) where the first-to-file principle is violated (Art. 8 of the Act);
- (v) where the application is contrary to the principle of “one trademark per application” (Art. 10 of the Act);
- (vi) where identical designated goods are not transferred *en bloc* by a divisional transfer of a trademark registration (the latter part of Art. 12 (2) of the Act); any fractional ownership of a jointly owned trademark application is transferred without the consent of all other joint owners (Art. 12 (5) of the Act); any business emblem is transferred (Art. 12 (7) of the Act); any nonprofit mark under the provision of the proviso of Article 7 (1) 3 of the Act is transferred (Art. 12 (8) of the Act); or any collective mark is transferred (Art. 12 (9) of the Act);
- (vii) where the applicant is a foreign national and thus not entitled to a trademark registration (Art. 5 of the Act; Art. 25 of the Patent Act *mutatis mutandis*).
- (viii) where the application is in violation of any provision of any treaty (Art. 23 (1) 2 of the Act);
- (ix) where any person who is or was within one year prior to filing an attorney-in-fact or representative of a holder of a trademark registered with a Contracting Party, applies for the registration of said mark or a mark similar thereto in relation to goods identical or similar to the designated goods of said mark without the consent of said holder or any other just cause (only if said holder files an opposition

- information has been provided under Article 22 (3) of the Act) (Art. 23 (1) 3 of the Act);
- (x) where the mark meets none of the definitions of trademark, service mark, collective mark and business emblem; or the geographical indication or collective mark component in the geographical collective mark for which registration is sought does not meet the definitions of geographical indication and geographical collective mark under the provisions of Articles 2 (1) 3-2 and 2 (1) 3-4 of the Act (Art. 23 (1) 4 of the Act);
 - (xi) where, in the case of an application for a geographical collective mark filed by a corporation, any person engaged in the production, manufacturing or processing of such goods as may bear the geographical indication, is prohibited from joining the collective organization under its articles of incorporation; the articles of incorporation provides for such entry requirements as may render it difficult for such person to join; or such person is otherwise effectively discouraged from joining (Art. 23 (1) 5 of the Act); and
 - (xii) the articles of incorporation under the provisions of Article 9 (3) of the Act lack the provisions for the use of a collective mark as prescribed by the Presidential Decree (Art. 23 (1) 6 of the Act).

2. Notification of grounds for refusal

In rendering a decision to deny a trademark application on certain grounds for refusal, the examining attorney must notify the applicant of such grounds for refusal in advance and afford the applicant an opportunity to file an opinion within a prescribed period (Art. 23 (2) of the Act). In which case, if the grounds for refusal concern, in whole or in part, two or more classes of designated goods, then the examining attorney must state specific grounds for each class of designated goods (amended in Jan. 2007).

3. Denial decision

The examining attorney conducts reexamination of the application if the applicant files an opinion or amendment in response to the notice of grounds for refusal or fails to file an opinion despite the notice. Following the reexamination, the examining attorney must render a decision to deny the application where all or part of grounds for refusal have not been addressed.

IV. Publication of applications

1. Overview

(1) Significance

Publication is a system to publicly notify an applicant and request that the public cooperate with the examination of the application by filing any oppositions if substantive examination by the examining attorney leads to the discovery of no grounds for refusal or grounds for refusal have been satisfactorily addressed by the applicant's filing of an opinion or an amendment.

(2) Institutional intent

Publication of an application is intended to ensure fair and complete examination as well as prevent the registration of potentially conflicting marks and any trademark disputes that might occur following registration, by disclosing to the general public the content of the application following substantive examination and granting the public the opportunity to file oppositions.

2. Publication procedures

(1) Publication decision

The examining attorney must render a decision to publish a trademark application where no grounds for refusal have been found (Art. 24 (1) of the Act); provided, however, that the decision to publish an application must be deferred until thirty days after a certified copy of a decision to reject a pre-publication amendment, if any, is served, and the examination of the application must be suspended until a final decision is rendered in a proceeding, if any, and finally brought by the applicant against said decision to reject the amendment.

(2) Service of a certified copy of a decision; publication

If a decision to publish an application is rendered, KIPO must have a certified copy of the decision served upon the applicant and then publish the application in the Official Gazette (Art. 24 (2) of the Act).

(3) Accessibility

KIPO must make a trademark application and any other documents attached thereto accessible to the public at its office for a period of two months from the date of publication (Art. 24 (3) of the Act).

3. Legal effect of publication

(1) Effect of publication decision

Following the service of a certified copy of a publication decision, the period and scope of the amendment are restricted (Art. 15 of the Act); no proceeding may be brought against a decision to reject a post-publication amendment (Art. 17 (6) of the Act); and if any post-publication amendment that wants to modify the essentials is discovered after the registration of a trademark, the trademark is deemed to have been registered by the original application and not modified by the amendment.

(2) Effect of publication

a. Written warning and claim for compensation

After an application filed by an applicant is published, the applicant may warn, in writing, any person who has used a trademark identical or similar to the trademark referred to in said published application, in relation to goods identical or similar to the designated goods listed in said published application. The applicant who has sent such warning may claim compensation in an amount equivalent to the loss of business caused by the use of the trademark from the date of warning to the date of trademark registration (Art. 24-2 (2) of the Act).

b. Filing of opposition

Following publication of an application, any person may file an opposition to the registration of said mark claiming that there are grounds for refusal of said application within two months of the date of publication. The Act as amended in January 2007 extended the period in which opposition may be filed, from thirty days to two months.

c. Access to documents

KIPO must make a trademark application and any other documents attached thereto accessible to the public at its office for a period of two months from the date of publication (Art. 24 (2) of the Act).

V. Claim for loss

1. Overview

(1) Significance

After an application filed by an applicant is published, the applicant may warn, in writing, any person who has used a trademark identical or similar to the trademark referred to in the published application, in relation to goods identical or similar to the designated goods listed in the published application. It is provided, however, that when the applicant presents a copy of the application, he may give a written warning even before the publication of the application (Art. 24-2 (1) of the Act). The applicant who has sent such

a warning may claim compensation in an amount equivalent to the loss of business caused by the use of said trademark from the date of warning to the date of trademark registration (Art. 24-2 (2) of the Act), which is referred to as “claim for loss.”

(2) Institutional intent

The claim for monetary loss against third party users of a trademark is recognized with the intent to protect the goodwill as embodied in the trademark for a period of time that spans from the trademark application to registration, as well as, to compensate the applicant for the loss of business arising in connection with the use by third party users of said trademark in relation to the designated goods.

2. Requirements

- (i) use of the trademark by third persons,
- (ii) written warning by the applicant,
- (iii) continued use of the trademark by third persons after the warning, and
- (iv) the loss of business incurred to the applicant.

3. Effect and exercise

The applicant may claim compensation in an amount equivalent to the loss of business caused by the use of said trademark from the date of warning to the date of trademark registration. It is provided, however, that claim for loss may not be exercised until the trademark referred to in the trademark is registered (Art. 24-2 (3) of the Act), and the claim is recognized for the use made during the period from the date of warning to the date of registration only. Therefore, the “claim for loss” right does not affect the exercise of the trademark in any manner whatsoever (Art. 24-2 (4) of the Act).

4. Lapse

(1) Retroactive lapse

Claim for loss is deemed not to have arisen from the outset where: (i) the application for trademark registration has been abandoned, withdrawn or invalidated; (ii) a final decision to deny the application has been rendered; or (iii) a final decision to invalidate a trademark registration has been rendered in a proceeding (unless due to any ground for invalidation after the fact) (Art. 24-2 (6) of the Act).

(2) Lapse by prescription

Although the provision of Article 766 of the Civil Code is applicable *mutatis mutandis* to the claim for loss, the exercise of the claim may only be exercised after trademark registration, which could be problematic in regards to extinctive prescription. The extinctive prescription for this purpose, therefore, is deemed to begin on the date of registration

of the trademark, rather than on the date on which the injured party or legal representative becomes aware of such damage and of the identity of the person who caused it.

5. Other provisions applicable *mutatis mutandis*; enforcement

Although the provisions applicable to the exercise of the claim for loss do include those of Articles 52 (Scope of Protection of Registered Trademark), 66 (Act Considered as Infringement), 69 (Recovery of the Goodwill of Trademark Owner) and 70 (Presentation of Documents) of the Trademark Act as well as of Article 760 (Liability of Joint Tort-feasors) of the Civil Code *mutatis mutandis*, yet the provision of Article 67 for presumption of the amount of damages is not applicable.

VI. Opposition to trademark registration

1. Overview

(1) Significance

Opposition to trademark registration is the act of filing the grounds on which a published trademark may not be registered within the period prescribed by law, as well as, supporting evidence and requesting that KIPO deny registration of said mark.

(2) Institutional intent

Opposition to trademark registration is intended to ensure fair and complete examination by preventing subjective and arbitrary judgment by an examining attorney, as well as, to ensure stability in registration. The institutional intent is also to prevent the registration of potentially conflicting marks and any trademark disputes that might occur following registration by referring to third party opinions and reexamining whether the mark contravenes the Trademark Act prior to registration.

2. Applicability requirements

(1) Opposer

Any person may file an opposition to a published application, whether or not such person is a party in interest (Art. 25 (1) of the Act). Furthermore, any non-corporation organization without certain rights may be an opposer if it has a representative or manager.

(2) Grounds for opposition

It is provided that any person may file an opposition to a published trademark application on any of the grounds listed in any of the Subparagraphs of Article 23 (1) and Articles 48 (1), 48 (2) and 48 (4) (Art. 25 (1) of the Act) or any grounds for refusal of additional registration of designated goods.

(3) Period of opposition

It is provided that an opposition may be filed within two months of the date of publication (Art. 25 (1) of the Act), which is made invariable by law and thus may not be extended. The Act as amended in January 2007 extended the period of opposition, from thirty days to two months from the date of publication.

3. Procedures

(1) Filing of an opposition

Any person intending to oppose a trademark application is required to file an opposition as well as provide necessary evidence with KIPO, stating the following (Art. 25 (2) of the Act):

(i) the name and address of the opposer (or its name and the location of its place of business in the case of a corporation); (ii) the name and the address or the location of the place of business of the attorney acting for and on behalf of the applicant, if any (or if the attorney is a patent law firm, its name and the address of its office as well as the name(s) of the attorney(s) of record), (iii) the trademark application to which the opposition is filed, (iv) the content of the opposition, and (v) the grounds for opposition and indication of necessary evidence.

(2) Amendment of grounds for opposition and evidence

An opposer may amend such grounds for opposition and present evidence as stated in his opposition within thirty days of the expiry of the period of opposition.

(3) Service of a copy of an opposition; granting of an opportunity to file a response

Upon the receipt of any opposition to trademark application, the examining attorney must have a copy of the opposition served upon the applicant and grant him the opportunity to file a response (Art. 27 (1) of the Act).

4. Examination of opposition and decision

(1) Examination

KIPO must have an opposition to a trademark application examined by an examining attorney (Art. 22 (1) of the Act). The examining attorney may merge or separate the examinations or decisions on two or more oppositions against a trademark application (Art. 29 (1) of the Act).

(2) Decision

The examining attorney must render a decision on the opposition(s) after the expiration of the period in which oppositions may be filed and amended, as well as, the period in which the applicant may file a response. If the opposer has failed to file grounds

for opposition and provide evidence, then the examining attorney may make a decision to reject the opposition (Art. 27 (3) of the Act).

(3) Service of a certified copy of a decision on opposition

Upon a decision being made on the opposition, KIPO must have certified copies of the decision that is in regard to the applicant and opposer(s).

5. Effect of decision on opposition

No proceeding may be brought against a decision on the opposition. The purpose of this is to expedite the examination procedures, as the applicant may contest the decision through a proceeding against the refusal decision, and the opposer may contest a decision through an invalidation or cancellation proceeding.

CHAPTER VI REGISTRATION PROCEDURES

SEC. 1 REGISTRATION OF TRADEMARKS

The service of a registration decision upon an applicant, the payment by the applicant of a registration fee in a prescribed amount (Art. 34 (3) of the Act), and recording of certain entries in the trademark register maintained at KIPO (Art. 39 of the Act), are collectively referred to as the registration of a trademark. KIPO must register a trademark upon receipt of a registration fee in a prescribed amount (Art. 41 of the Act).

SEC. 2 PAYMENT OF TRADEMARK REGISTRATION FEES

I. Payment of registration fees

Any person seeking to obtain registration of a trademark, additional registration of designated goods or renewal of a trademark, must pay a trademark registration fee (Art. 34 (1) of the Act).

II. Effect of nonpayment of registration fees

The failure to pay a registration fee within a due date (or the failure to supplement the fee as ordered under the provisions of Article 36-2 (2) of the Act within its applicable due date) is deemed as abandonment of the trademark application, the application for additional registration of designated goods, or the application for trademark renewal (Art. 36 of the Act).

III. Abandonment of designated goods in part at the time of payment of trademark registration fees

Any person who has obtained a decision to register a trademark for two or more classes of designated goods, a decision to register additional designated goods, or a decision to renew a trademark registration may abandon such action for certain classes of designated goods at the time the registration fee payment is due.

IV. Recovery and restriction of effect of a trademark application by payment or supplementation of a trademark registration fee

1. Recovery of a trademark registration by payment or supplementation of a trademark registration fee

If any applicant filing an application for additional registration of designated goods or renewal of a trademark that is deemed abandoned under the provisions of Article

36 of the Act, fails to pay the trademark registration fee within the due date under the provisions of Article 34 (3) or 35 of the Act or supplement the fee within the due date under the provisions of Article 36-2 (2) of the Act due to an event that is not attributable to such applicant, then such applicant may make the payment or supplementation within fourteen days of the day on which such event ceases to exist unless six months have elapsed since any such due dates, whichever comes later (Art. 36-3 (1) of the Act).

2. Restriction on effect of a trademark application

Where a trademark application and such has been recovered, any *bona fide* third person who has used a trademark identical or similar to the registered trademark in relation to goods identical or similar to the goods designated therein in the belief that the registered trademark had been abandoned, could suffer unpredictable damage. To protect such *bona fide* third person, it is provided that the effect of the trademark application and such may not extend to use of a trademark identical or similar to the registered trademark if said use occurred within a period extending from the due date of the registration fee to the date of recovery of said application (Art. 36 (3) of the Act).

V. Refund of erroneous payments

No payments of trademark registration and other fees are refunded; provided, however, that if any trademark registration or other fees are paid in error or an application for trademark registration (other than the divisional application, conversion application, trademark application underlying a divisional application or conversion application, or an international trademark application as deemed under the Act as a trademark application under Article 86-14 (1)) is withdrawn or abandoned within one month of filing, then the paid trademark registration fee is subject to refund. KIPO must notify the person who made such payment(s), and that person may obtain a refund of the fee upon his request within one year of the date of such notice (Art. 38 of the Act).

SEC. 3 ENTRIES TO BE RECORDED IN THE TRADEMARK REGISTER

The entries to be recorded for a trademark registration in the trademark register (other than the register of the trademarks based on international registrations) include: (i) the trademark registration number, the date and publication number of the trademark application, the date of a decision to register the trademark, and classes of designated goods; (ii) that the trademark is a color trademark if that is the case; (iii) that the trademark is a three-dimensional trademark if that is the case; (iv) the name and address of the

trademark owner (or its name and the location of its place of business in the case of a corporation); and (v) the registered trademark (Art. 4 (1) of the Enforcement Regulations of the Act).

SEC. 4 EFFECT OF TRADEMARK REGISTRATIONS

I. ACCRUAL OF TRADEMARK RIGHTS

Trademark rights arise from registration (Art. 41 (4) of the Act). The trademark owner is entitled to exclusively use his registered trademark in relation to the designated goods immediately upon the registration of the mark. The trademark owner may also request for prohibition and prevention of infringement by third persons upon the mark in relation to identical or similar goods. And in the case where a third person infringes upon a registered trademark, the trademark owner can claim damages and seek other remedies.

II. Exercise of claim for loss

The trademark owner may claim compensation for loss of business if he has warned against the use by any third person of a mark identical or similar to his trademark in relation to identical or similar goods after a trademark application is filed (by presenting a copy of the application) or published. Such claim for loss may not be exercised until the trademark referred to in the application is registered (Art. 24-2 (3) of the Act). Thus, the trademark owner may claim compensation upon the registration of the mark.

SEC. 5 ISSUANCE OF TRADEMARK REGISTRATION CERTIFICATES AND CORRECTION THEREOF

KIPO must issue to the trademark owner a trademark registration certificate upon the registration of a trademark (Art. 40 (1) of the Act). In addition, KIPO must have the certificate returned and corrected or issue a new certificate upon request or *ex officio* if the certificate is not consistent with the entries in the trademark register. Certificates include: trademark registration certificates, service mark certificates, trademark/service mark certificates, collective mark certificates and business emblem certificates.

CHAPTER VII PROCEEDING AND LITIGATION PROCEDURES

SEC. 1 PROCEEDING

I. Overview

1. Significance of trademark proceedings

A trademark proceeding is a pre-litigation procedure administered prior to reaching the court of last resort by the Korean Intellectual Property Tribunal, an administrative body, where substantive law is interpreted and applied to resolve disputes on the establishment, modification and lapse of rights to trademarks or to outline their scope. This type of administrative procedure has been established to allow the KIPT, being in possession of professional and technical expertise and experience, to have trademark disputes resolved by a panel of judges in a rational manner.

2. Legal nature of trademark proceedings

In terms of the legal nature of a trademark proceeding, there are different theories in which the proceeding is regarded as: a judicial act, a administrative act, or a quasi-judicial administrative act. Although a trademark proceeding may be regarded as an administrative proceeding administered by an administrative body in form, the KIPT, may be distinguished from typical administrative proceedings in that the rules of civil litigation apply for the most part and the independence and discretionary autonomy afforded to trademark judges in their disposition of cases are comparable to those given to district court judges. A trademark proceeding, therefore, may be deemed as a special form of administrative proceeding possessing a quasi-judicial quality.

II. Classification of trademark proceedings

Trademark proceedings may be classified according to: the adversity between parties to the proceeding, the independence of the proceeding in its progress or the structural differences.

1. Classification by structure

Trademark proceedings may be broken down into: (i) the *ex parte* proceeding, where only petitioner exists and respondent does not; or (ii) the *inter partes* proceeding, where petitioner and respondent confront each other as parties to the proceeding.

2. Classification by dependence

Trademark proceedings may also be categorized into: (i) the independent proceeding, where its gist of action is independent and a dispositive trial decision is rendered; or (ii) the subsidiary proceeding, which is premised upon the petition for a parent proceeding and where non-dispositive decisions are made.

SEC. 2 TYPES AND SUBSTANCE OF PROCEEDINGS

I. Appeal from refusal

1. Overview

(1) Significance

“Appeal from refusal” refers to a proceeding brought before the KIPT by any person, who is dissatisfied with a decision to refuse a trademark application, moving that the refusal be reversed and his mark be registered (Art. 70-2 of the Act).

(2) Institutional intent

The appeal proceeding is intended to: (i) assure fair and adequate examination by giving KIPO the opportunity to review any errors in judgment or examination it may have made when it was determining the registrability of the trademark(s); and (ii) protect applicants by establishing a procedure that prevents undue refusals of trademark applications.

2. Petition requirements

(1) Petitioner

Any person who has his application for trademark registration, additional registration of designated goods, renewal of registration or reclassification of designated goods refused (or his successor) may bring an appeal proceeding (Art. 70-2 of the Act).

(2) Subject of petition

Since a petition for the appeal proceeding is intended to request that the KIPT reverse a decision made by an examining attorney and allow the registration of a mark, the subject of the petition is an administrative disposition of refusal.

(3) Time for petition

A petition for an appeal proceeding against a refusal must be filed within thirty days of the service of a certified copy of the refusal decision (the latter part of Art. 70-2 of the Act); provided, however, that for the benefit of a person residing in an area that is remote or difficult to access, such period may be extended *ex officio* or upon the request of the petitioner

(Art. 5 of the Act; Art. 15 (1) of the Patent Act *mutatis mutandis*). Furthermore, if the person entitled to file the petition was not able to comply with the above period for petition due to an event that is not attributable to such person, then he may subsequently file the petition within fourteen days of the day on which such event ceases to exist unless one year has elapsed since the expiration of the aforementioned period (Art. 17 of the Act).

3. Manner of filing

Any person desiring to file an appeal proceeding against a refusal of a trademark application must submit a petition including such statements as prescribed in the Act to the KIPT and pay a proceeding fee (Art. 79 (1) of the Act).

4. Hearing and decision

(1) Hearing

a. Oral or written hearing

A hearing in an appeal proceeding against a refusal deals with the lawfulness of the refusal disposition, where the hearing is either an oral hearing or written hearing; provided, however, that an oral hearing must be held if so requested by the petitioner unless it is deemed that written hearings alone are sufficient to reach a decision.

b. *Ex proprio motu* principle

The *ex proprio motu* principle is applicable to an appeal proceeding against refusal. To wit, the principles of *Untersuchungsgrundsatz* (investigation by the court) and *Zustellungen von Amts wegen* (service by the court) are followed to expedite the proceeding and prevent any third-party interests from being unduly prejudiced, for a trademark has an *erga omnes* effect.

(2) Closing of a proceeding

A proceeding, in principle, is closed by a trial decision (Art. 77 of the Act; Art. 162 (1) of the Patent Act *mutatis mutandis*). Alternatively, a proceeding is also closed upon: the dismissal of the petition for the proceeding (Art. 77 of the Act; Art. 141 (2) of the Patent Act *mutatis mutandis*); the dismissal due to unlawful petition (Art. 77 of the Act; Art. 142 of the Patent Act *mutatis mutandis*); the withdrawal of petition (Art. 77 of the Act; Art. 161 of the Patent Act *mutatis mutandis*); or the withdrawal or abandonment of the trademark application on which the petition for the proceeding is based.

5. Effect

(1) Effect of filing of a proceeding

a. Pending of the application

Upon the filing of a proceeding against a refusal, the refusal does not become final and the applicable application stays pending.

b. Amendment and divisional application allowed

Within thirty days of the filing of a proceeding against refusal, the designated goods and trademark may be amended within a certain extent that does not modify the essentials of the first application for trademark registration as to matters specified in the ground for refusal (Art. 15-3 of the Act).

c. Obligation to notify opposers

Upon a petition for a proceeding against a refusal being filed, the KIPT is required to notify opposers thereof if the refusal is based on the oppositions filed by the opposers (Art. 79 (2) of the Act).

(2) Effect of trial decision

a. Final and binding effect

Upon becoming final, a trial decision takes substantial effect (Art. 82 of the Act; Arts. 176 (1) and 176 (2) of the Patent Act *mutatis mutandis*). Furthermore, the grounds for the reversal of the refusal binds the examining attorney (Art. 82 of the Act; Art. 176 (3) of the Patent Act *mutatis mutandis*).

b. No protection against double jeopardy

The protection against double jeopardy (Art. 163 of the Patent Act) is applicable only when a trial decision or court decision has become final and conclusive. As such, the protection is afforded only in the case of: a cancellation proceeding, a proceeding to declare the scope of rights, or a proceeding that otherwise requires registration in the trademark register. However, as an appeal proceeding against refusal is an *ex parte* proceeding against KIPO, third parties are not allowed to intervene in the proceeding. This is in contrast to *inter partes* proceedings such as cancellation proceedings and proceedings to declare the scope of rights (Art. 82 (2) of the Act).

c. Institution of a lawsuit

Any person dissatisfied with a decision rendered by the KIPT may lodge a lawsuit seeking to reverse the decision before the Patent Court of Korea within thirty days of the service of a certified copy of the decision (Art. 86 (2) of the Act; Arts. 186 (1) and 186 (2) of the Patent Act *mutatis mutandis*).

II. Appeal from rejection of amendment

1. Overview

(1) Significance

“Appeal from rejection of amendment” refers to a proceeding brought before the KIPT by any person who is dissatisfied with a decision to reject an amendment to an application

that has been rendered on the ground that such amendment modifies the essentials of the application. The appeal moves to reverse the rejection and proceed examination in reliance on the application for trademark registration or reclassification of designated goods as so amended (Arts. 70-3 and 79 (1) of the Act).

(2) Institutional intent

The appeal proceeding is intended to: (i) assure fair and adequate examination by giving KIPO an opportunity to review any errors it may have made during the process of judging and examining in order to determine whether to recognize and accept an amendment to an application; and (ii) protect applicants by providing a procedure that prevents undue rejections of such amendments.

2. Petition requirements

(1) Petitioner

Any person who has his amendment to an application for trademark registration, additional registration of designated goods, renewal of registration or reclassification of designated goods rejected (or his successor) may bring an appeal proceeding (Art. 70-3 of the Act).

(2) Subject of petition

As a petition for the appeal proceeding is intended to request that the KIPT reverse a decision made by an examining attorney and examination proceed in reliance on the application as so amended, the subject of the petition is the decision to reject the amendment, an interim disposition.

(3) Time for petition

A petition for an appeal proceeding against a rejection of an amendment must be filed within thirty days of the service of a certified copy of the rejection decision (the latter part of Art. 70-3 of the Act); provided, however, that for the benefit of a person residing in an area that is remote or difficult to access, such period may be extended *ex officio* or upon the request of the petitioner (Art. 5 of the Act; Art. 15 (1) of the Patent Act *mutatis mutandis*). Furthermore, if the person entitled to file the petition was not able to comply with the above period for petition due to an event that is not attributable to such person, then he may subsequently file the petition within fourteen days of the day on which such event ceases to exist unless one year has elapsed since the expiry of the above period (Art. 17 of the Act).

3. Manner of filing

Any person desiring to file an appeal proceeding against a rejection of an amendment must submit a petition including such statements as prescribed in the Act to the KIPT and pay a proceeding fee (Art. 79 (1) of the Act).

4. Hearing and decision

(1) Hearing

a. Oral or written hearing

A hearing in an appeal proceeding against a rejection deals with the lawfulness of the rejection disposition, where the hearing is either an oral hearing or written hearing; provided, however, that an oral hearing must be held if so requested by the petitioner unless it is deemed that written hearings alone are sufficient to reach a decision.

b. *Ex proprio motu* principle

The *ex proprio motu* principle is applicable to an appeal proceeding against rejection of an amendment. To wit, the principles of *Untersuchungsgrundsatz* (investigation by the court) and *Zustellungen von Amts wegen* (service by the court) are followed to expedite the proceeding and prevent any third-party interests from being unduly prejudiced, for a trademark has an *erga omnes* effect.

(2) Closing of a proceeding

A proceeding, in principle, is closed by a trial decision (Art. 77 of the Act; Art. 162 (1) of the Patent Act *mutatis mutandis*). Alternatively, a proceeding is also closed upon: the dismissal of the petition for the proceeding (Art. 77 of the Act; Art. 141 (2) of the Patent Act *mutatis mutandis*); the dismissal due to unlawful petition (Art. 77 of the Act; Art. 142 of the Patent Act *mutatis mutandis*); the withdrawal of petition (Art. 77 of the Act; Art. 161 of the Patent Act *mutatis mutandis*); or the withdrawal or abandonment of the trademark application on which the petition for the proceeding is based.

5. Effect

(1) Effect of filing of a proceeding

If any applicant requests a proceeding against the decision to reject amendment, the examination of the applicable application must be suspended until the decision rendered in the proceeding becomes final (Art. 17 (3) of the Act). This is because if the rejection is reversed, then the ground for the reversal of the rejection binds the examining attorney in the applicable case (Art. 82 of the Act; Art. 176 (3) of the Patent Act *mutatis mutandis*).

(2) Effect of trial decision

a. Final and binding effect

Upon becoming final, a trial decision takes substantial effect (Art. 82 of the Act; Arts. 176 (1) and 176 (2) of the Patent Act *mutatis mutandis*). Furthermore, the ground for the reversal of the refusal binds the examining attorney (Art. 82 of the Act; Art. 176 (3) of the Patent Act *mutatis mutandis*).

b. No protection against double jeopardy

The protection against double jeopardy (Art. 163 of the Patent Act) is applicable only when a trial decision or court decision has become final and conclusive. As such, the protection is afforded only in the case of: a cancellation proceeding, a proceeding to declare the scope of rights, or a proceeding that otherwise requires registration in the trademark register. This provision, therefore, is not applicable to: appeal proceedings against rejection, which do not require registration in the register; decisions on oppositions and other *ex parte* cases; and interim dispositions.

c. Institution of a lawsuit

Any person dissatisfied with a decision rendered by the KIPT may lodge a lawsuit seeking to reverse the decision before the Patent Court of Korea within thirty days of the service of a certified copy of the decision (Art. 86 (2) of the Act; Arts. 186 (1) and 186 (2) of the Patent Act *mutatis mutandis*).

III. Proceeding to invalidate trademark registration

1. Overview

(1) Significance

“Proceeding to invalidate trademark registration” refers to a proceeding where if a panel of judges of the KIPT finds a trademark registration defective, then they will extinguish a trademark registration retroactively or prospectively in accordance with proceeding procedures.

(2) Institutional intent

The invalidation proceeding is intended to: prevent any third persons from being unduly prejudiced and seek to establish sound commercial disciplines by invalidating and clearing up potentially conflicting rights that arose due to erroneous examination by an examining attorney or neglected inspection by the general public retroactively to the date of establishment thereof.

2. Grounds for invalidation

The Trademark Act provides a negative list of grounds for the invalidation of a trademark registration, including the cases where the trademark registration or additional registration of designated goods has been recorded in violation of important statutory requirements, or the denunciation, modification or signing of a treaty occurring after registration has rendered it impossible to recognize the trademark registration (Art. 71 (1) of the Act). The grounds for the invalidation of trademark registrations may be classified into either intrinsic grounds and *ex post facto* ones according to the date on which they came

into existence; or time-barred ones and non-time barred ones (Art. 76 (1) of the Act). In this Paragraph, the former classification is used.

(1) Intrinsic grounds

a. Grounds concerning the trademark

(i) Defects in trademark registration requirements (distinctiveness) (Art. 6 of the Act); (ii) unregistrable trademark (grounds for denial) (Art. 7 of the Act); (iii) violation of the first-to-file principle (Art. 8 of the Act); (iv) violation of succession and divisional transfer requirements (Art. 12 of the Act); or (v) failure to meet the definition of a mark (Arts. 23 (1) 4 through 23 (1) 6 of the Act).

b. Grounds concerning the trademark owner

(i) A trademark registration obtained by an incumbent employee of KIPO or the KIPT (the proviso of Art. 3 of the Act); (ii) defects in entitlement of a foreign national (Art. 5 of the Act; Art. 25 of the Patent Act *mutatis mutandis*); or (iii) a trademark registration obtained by a person who is not a legitimate successor (Art. 71 (3) of the Act).

c. Violation of a treaty (Art. 71 (2) of the Act)

(2) *Ex post facto* grounds

(i) Where the trademark owner becomes, after the registration of a trademark, a foreign national who is not entitled to possess a trademark;
 (ii) where a registered trademark becomes a violation of a treaty after registration; and
 (iii) where a registered trademark loses its distinctive character after registration (Art. 71 (5) of the Act).

3. Petition requirements

(1) Petitioner

a. Party in interest

Any person who may file an invalidation proceeding against a trademark registration must be a party in interest, one who is in a position to receive direct legal benefit or avoid damage from the invalidation of the mark. An association or foundation without juridical personality may also file an invalidation proceeding in the name of its representative or manager (Art. 5 of the Act; Art. 4 of the Patent Act *mutatis mutandis*).

b. Examining attorney

An examining attorney may also file a proceeding to invalidate a trademark registration.

(2) Respondent

The respondent in an invalidation proceeding must be the trademark owner found in the trademark register, or all joint owners of a trademark when the trademark is jointly owned.

(3) Time for petition and time bar

a. Time for petition

An invalidation proceeding may be filed within the duration of a trademark registration as well as after the lapse thereof (Art. 71 (2) of the Act).

b. Time bar

Unlike a case involving patent, utility model and industrial design, the damage caused due to the loss of goodwill of a trademark user that has accumulated through the use of a mark for a long period of time far outweighs the damage to third parties caused due to the exercise of potentially conflicting rights. To prevent the former damage and ensure legal certainty through early resolution of legal rights, it is provided that an invalidation proceeding may not be brought against a trademark registration violating the private-interest provisions of Articles 7 (1) 6 through 7 (1) 9, 7 (1) 14 and 8 of the Act if five years have elapsed since the date of registration of the mark (Art. 76 (1) of the Act).

(4) Scope of petition

If two or more classes of goods are designated for a registered trademark, an invalidation proceeding may be brought in relation to each class of goods as well as the entire goods (the latter part of Art. 71 (1) of the Act).

4. Hearing procedures

(1) Manner of hearing

a. Oral or written hearing

Hearings in an invalidation proceeding may be either oral or written; provided, however, that an oral hearing must be held if so requested by the petitioner unless it is deemed that written hearings alone are sufficient to reach a decision (Art. 77 of the Act; Art. 154 (1) of the Patent Act *mutatis mutandis*).

b. *Ex proprio motu* principle

The principles of *Untersuchungsgrundsatz* (investigation by the court) and *Zustellungen von Amts wegen* (service by the court) are followed to expedite the proceeding and prevent any third-party interests from being unduly prejudiced, for a trademark has an *erga omnes* effect (Art. 77 of the Act; Arts. 158 and 159 of the Patent Act *mutatis mutandis*). In addition, an invalidation proceeding against a trademark registration is an *inter partes*

proceeding; therefore third parties are allowed to intervene in the proceeding (Art. 82 (2) of the Act interpreted *a contrario*).

c. Determination

Any ground for invalidation of a trademark registration must be determined based on the point in time of determining registrability. For any invalidation proceeding brought on the ground of the violation of the provisions of Article 7 (1) 6 through 7 (1) 10 of the Act, however, must be based on the time of filing for registration (Arts. 7 (2) and 7 (3) of the Act).

(2) Closing of a proceeding

A proceeding, in principle, is closed by a trial decision (Art. 77 of the Act; Art. 162 (1) of the Patent Act *mutatis mutandis*). Alternatively, a proceeding is also closed upon: the dismissal of the petition for the proceeding (Art. 77 of the Act; Art. 141 (2) of the Patent Act *mutatis mutandis*); the dismissal due to unlawful petition (Art. 77 of the Act; Art. 142 of the Patent Act *mutatis mutandis*); or the withdrawal of petition (Art. 77 of the Act; Art. 161 of the Patent Act *mutatis mutandis*).

5. Effect

(1) Effect of filing of a proceeding

Upon the filing of any invalidation proceeding against a trademark registration or additional registration of designated goods, the presiding judge must notify the exclusive licensee of the mark or any other persons that are named in the registration (Art. 71 (5) of the Act).

(2) Effect of trial decision

a. Lapse of trademark rights

Trademark rights are deemed not to have arisen from the outset if a decision invalidating a trademark registration becomes final. If the invalidation of a trademark registration becomes final on a ground that it came to exist after the registration of a mark, the rights to the mark lapse from the point at which the registered trademark pertains to such ground onward, not retroactively to the date of registration (Art. 71 (3) of the Act); provided, however, that if such point may not be pinpointed, the trademark rights lapse from the date of registration of the announced invalidation proceeding, on which the filing of the proceeding is published in the trademark register (Art. 71 (4) of the Act).

b. Lapse of incidental rights

If trademark rights lapse, any licenses and pledges incidental to the trademark rights lapse as well.

c. Restrictions on trademark registration by other persons

If a registered trademark lapses due to a final decision invalidating it, any trademark identical or similar to said registered trademark designating identical or similar goods is not registrable if the application for its registration is filed within one year of the day on which said decision becomes final (Art. 7 (1) 8 of the Act); provided, however, that the provision of Article 7 (1) 8 is not applicable and thus an exception is made and such trademark is registrable in any of the following cases (Art. 7 (4) of the Act):

(i) where said registered trademark had not been used for more than one year as of the date on which the rights to it lapse; (ii) where a decision invalidating a registered trademark on the ground of violation of the provisions of Articles 7 (1) 6, 7 (1) 9, 7 (1) 10, 7 (1) 11, 7 (1) 12 or 8 of the Act becomes final and thereafter the legitimate applicant files for the registration of it again; (iii) where the registration of a trademark is filed for after a period of six months under the provisions of the proviso of Article 43 (2) of the Act and has elapsed since its previous registration was not renewed; (iv) where petitioner in a cancellation proceeding applies for trademark registration under the provisions of Articles 8 (5) and 8 (6) of the Act (amended in 2007); and (v) where an application for trademark registration is filed after the period in which petitioner in a cancellation proceeding may obtain trademark registration under the provisions of any Subparagraph of Article 8 (5) of the Act (amended in 2007).

d. Double jeopardy

After a KIPT decision invalidating a trademark registration becomes final, no person may file a proceeding in reliance on the same facts and evidence of the case. This is to prevent two contradictory decisions from being rendered in the same case. This provision, however, does not apply if the final KIPT decision is a dismissal (Art. 77 of the Act; Article 163 of the Patent Act *mutatis mutandis*).

IV. Proceeding to invalidate the renewal of a trademark registration

1. Overview

(1) Significance

“Proceeding to invalidate the renewal of a trademark registration” refers to a proceeding where a panel of judges of the KIPT extinguishes the renewal of a trademark registration retroactively to the date of renewal, if such renewal is found not to have met renewal requirements (Art. 72 of the Act).

(2) Institutional intent

The renewal invalidation proceeding is intended to: prevent any third persons from being unduly prejudiced and seek to establish sound commercial disciplines by invalid-

ating the renewal of any unrenovable registration that has been renewed due to errors made by examining attorneys.

2. Grounds for invalidation

If a trademark registration has been renewed in violation of the provisions of Article 43 (2) of the Act (*i.e.* such renewal is not filed for within one year prior to the expiration of the trademark or within six months thereof) or renewal of the trademark has been filed for by any person other than the owner of the mark, then the mark is subject to an invalidation proceeding.

3. Petition requirements

(1) Petitioner

A party in interest or examining attorney of KIPO may file a proceeding to invalidate the renewal of a registration. Furthermore, an association or foundation without juridical personality may also file for an invalidation proceeding in the name of its representative or manager (Art. 5 of the Act; Art. 4 of the Patent Act *mutatis mutandis*).

(2) Respondent

The respondent against whom a proceeding to invalidate renewal is filed must be the trademark owner as recorded in the trademark register.

(3) Time for petition and time bar

The proceeding may be filed after the lapse of the trademark as well as during its term (Art. 72 (2) of the Act); provided, however, that the proceeding may not be filed five years after the date of renewal if the provision of Article 43 (2) (that such renewal must be filed for within one year prior to the expiration of the trademark or within six months thereof) has been violated (Art. 76 (1) of the Act).

(4) Scope of petition

The proceeding may be filed in relation to the entire goods designated in the renewed registration or in relation to individual class of goods if there are two or more classes of goods designated therein (the latter part of Art. 72 (1) of the Act).

4. Hearing procedures

(1) Manner of hearing

a. Oral or written hearing

Hearings in a proceeding to invalidate renewal may be either oral or written; provided,

however, that an oral hearing must be held if so requested by the petitioner unless it is deemed that written hearings alone are sufficient to reach a decision (Art. 77 of the Act; Art. 154 (1) of the Patent Act *mutatis mutandis*).

b. *Ex proprio motu* principle

The principles of *Untersuchungsgrundsatz* (investigation by the court) and *Zustellungen von Amts wegen* (service by the court) are followed to expedite the proceeding and prevent any third-party interests from being unduly prejudiced, for a trademark has an *erga omnes* effect (Art. 77 of the Act; Arts. 158 and 159 of the Patent Act *mutatis mutandis*). In addition, a proceeding to invalidate the renewal of a trademark registration is an *inter partes* proceeding; therefore third parties are allowed to intervene in the proceeding (Art. 82 (2) of the Act interpreted *a contrario*).

(2) Closing of a proceeding

A proceeding, in principle, is closed by a trial decision (Art. 77 of the Act; Art. 162 (1) of the Patent Act *mutatis mutandis*). Alternatively, a proceeding is also closed upon: the dismissal of the petition for the proceeding (Art. 77 of the Act; Art. 141 (2) of the Patent Act *mutatis mutandis*); the dismissal due to unlawful petition (Art. 77 of the Act; Art. 142 of the Patent Act *mutatis mutandis*); or the withdrawal of petition (Art. 77 of the Act; Art. 161 of the Patent Act *mutatis mutandis*).

5. Effect

(1) Effect of filing for a proceeding

Upon the filing of any proceeding to invalidate the renewal of a trademark registration, the *presiding judge* must notify the exclusive licensee of the mark or any other persons named in the registration (Art. 72 (4) of the Act *mutatis mutandis*; Art. 71 (5) of the Act).

(2) Effect of trial decision

a. Retroactive lapse of the renewal of a trademark registration

Trademark rights are deemed not to have arisen from the outset if a decision invalidating the renewal of a trademark registration becomes final (Art. 72 (3) of the Act).

b. Double jeopardy

After a KIPT decision invalidating the renewal of a trademark registration becomes final, no person may file a proceeding in reliance on the same facts and evidence of the case. This provision, however, does not apply if the final KIPT decision is a dismissal (Art. 77 of the Act; the proviso of Article 163 of the Patent Act *mutatis mutandis*).

V. Proceeding to invalidate the reclassification of designated goods

1. Overview

(1) Significance

“Proceeding to invalidate the reclassification of designated goods” refers to a proceeding where a panel of judges of the KIPT invalidates the reclassification of designated goods if such reclassification is found not to have met reclassification requirements (Art. 72-2 of the Act).

(2) Institutional intent

The reclassification invalidation proceeding is intended to: prevent any third persons from being unduly prejudiced and seek to establish sound commercial disciplines by invalidating the reclassification of any designated goods for a registered trademark that have been reclassified due to errors made by examining attorneys despite the fact that such reclassification should not have been allowed.

2. Grounds for invalidation

Reclassification may be invalidated (i) where the reclassified designated goods include those not covered by the pre-reclassification trademark or the extent of the designated goods has been effectively extended; (ii) where the reclassification has been filed for by any person other than the owner of the mark; or (iii) where the application for reclassification has been filed in violation of the provisions of Article 46-2 (3) of the Act (that the application be filed within one year prior to or six months of the expiration of the term of a trademark registration). Note, however, that unlike the case which establishes grounds for refusal, the application’s failure to comply with the Classification of Goods as prescribed by the Decree of the MOCIE is not a ground for invalidation.

3. Petition requirements

(1) Petitioner

A *party in interest* or *examining attorney* of KIPO may file a proceeding to invalidate the reclassification of designated goods. Furthermore, an association or foundation without juridical personality may also file for an invalidation proceeding in the name of its representative or manager (Art. 5 of the Act; Art. 4 of the Patent Act *mutatis mutandis*).

(2) Respondent

The respondent against whom a proceeding to invalidate the reclassification of designated goods is filed must be *the trademark owner as recorded in the trademark register*.

(3) Time for petition and time bar

The proceeding may be filed after the lapse of the trademark as well as during its term (Art. 72-2 (2) of the Act *mutatis mutandis*; Art. 71(2) of the Act); provided, however, that the proceeding may not be filed five years after the date of reclassification if the provision of Article 46-2 (3) (that such reclassification must be filed for within one year prior to the expiration of the trademark or within six months thereof) has been violated (Art. 76 (1) of the Act).

(4) Scope of petition

The proceeding may be filed in relation to the entire goods designated in the registration of reclassification or in relation to an individual class of goods if there are two or more classes of goods designated therein (the latter part of Art. 72-2 (1) of the Act).

4. Hearing procedures

(1) Manner of hearing

a. Oral or written hearing

Hearings in a proceeding to invalidate the reclassification of designated goods may be either oral or written; provided, however, that an oral hearing must be held if so requested by the petitioner unless it is deemed that written hearings alone are sufficient to reach a decision (Art. 77 of the Act; Art. 154 (1) of the Patent Act *mutatis mutandis*).

b. *Ex proprio motu* principle

The principles of *Untersuchungsgrundsatz* (investigation by the court) and *Zustellungen von Amts wegen* (service by the court) are followed to expedite the proceeding and prevent any third-party interests from being unduly prejudiced, for a trademark has an *erga omnes* effect (Art. 77 of the Act; Arts. 158 and 159 of the Patent Act *mutatis mutandis*).

(2) Closing of a proceeding

A proceeding, in principle, is closed by a trial decision (Art. 77 of the Act; Art. 162 (1) of the Patent Act *mutatis mutandis*). Alternatively, a proceeding is also closed upon: the dismissal of the petition for the proceeding (Art. 77 of the Act; Art. 141 (2) of the Patent Act *mutatis mutandis*); dismissal due to unlawful petition (Art. 77 of the Act; Art. 142 of the Patent Act *mutatis mutandis*); or the withdrawal of petition (Art. 77 of the Act; Art. 161 of the Patent Act *mutatis mutandis*).

5. Effect

(1) Effect of filing for a proceeding

Upon the filing of any proceeding to invalidate the reclassification of designated goods,

the presiding judge must notify the exclusive licensee of the mark or any other persons named in the registration (Art. 72 (4) of the Act *mutatis mutandis*; Art. 71 (5) of the Act).

(2) Effect of trial decision

a. Retroactive lapse of the reclassification of designated goods

Trademark rights are deemed not to have arisen from the outset if a decision invalidating the reclassification of designated goods becomes final (Art. 72-2 (3) of the Act).

b. Double jeopardy

After a KIPT decision invalidating the reclassification of designated goods becomes final, no person may file a proceeding in reliance on the same facts and evidence of the case. This provision, however, does not apply if the final KIPT decision is a dismissal (Art. 77 of the Act; the proviso of Article 163 of the Patent Act *mutatis mutandis*).

VI. Proceeding to cancel a trademark registration

1. Overview

(1) Significance

“Proceeding to cancel a trademark registration” refers to a proceeding where a panel of judges of the KIPT prospectively extinguishes a trademark registration if the registration is once validly established and later falls within the scope of certain statutory grounds (Art. 73 of the Act).

(2) Institutional intent

This provision allows a trademark registration to be cancelled as a follow-up measure to ensure correct use of trademarks after registration. It is intended to: (i) prevent the abuse of the trademark system where a trademark owner unduly limits a third person’s freedom to choose marks by registering his mark and not using it within the country; (ii) prevent similar marks from creating confusion as to the quality of goods or misunderstanding as to the source thereof among general consumers; and (iii) establish sound commercial disciplines by protecting the goodwill of the trademark user and interest of general consumers, which are the primary objectives of the Trademark Act.

2. Grounds for cancellation

The Act provides for grounds for cancellation as in the following limited enumeration:

(i) cancellation of a trademark registration due to illegitimate use by the trademark owner thereof (Art. 73 (1) 2 of the Act); (ii) cancellation of a trademark registration due to nonuse of a registered trademark (Art. 73 (1) 3 of the Act); (iii) cancellation

of a trademark registration due to the violation of requirements for the transfer of the registration (Art. 73 (1) 4 of the Act); (iv) grounds for cancellation pertinent to the use of collective marks (Arts. 73 (1) 5, 73 (1) 6, 73 (1) 10, 73 (1) 11 and 73 (1) 12 of the Act); (v) cancellation of a trademark registration that is filed by an attorney-in-fact of a foreign trademark owner without the consent of the trademark owner (Art. 73 (1) 7 of the Act); (vi) cancellation of a trademark registration due to an act of creating confusion or misunderstanding by a licensee (Art. 73 (1) 8 of the Act); and (vii) cancellation of a trademark registration that may create confusion or misunderstanding as a result of the transfer of a similar trademark (Art. 73 (1) 9 of the Act).

These grounds for cancellation are specifically discussed below.

(1) Cancellation of a trademark registration due to illegitimate use by the trademark owner

Article 73 (1) 2 of the Act stipulates that a trademark registration may be cancelled where a trademark owner causes misunderstanding of the quality of goods or confusion with the goods associated with another person's business among consumers by *willfully* using a trademark similar to registered trademarks in relation to designated goods or using a registered trademark or any other trademark similar thereto in relation to any goods similar to the designated goods.

(2) Cancellation of a trademark registration due to nonuse

Article 73 (1) 3 of the Act provides that a ground for cancellation can be established where none of the trademark owner(s), exclusive licensee or non-exclusive licensee has ever used the registered trademark in relation to its designated goods without just cause for three consecutive years or more immediately as of the date of application.

(3) Cancellation of a trademark registration due to the violation of the restrictions on the transfer of trademarks

A trademark registration is subject to cancellation (Art. 73 (1) 4 of the Act): where the registration has been divided and partially transferred within a group of similar designated goods, despite that any registration must be transferred *en bloc* in relation to an entire group of similar designated goods (the latter part of Art. 54 (1) of the Act); where any fractional ownership of a jointly owned trademark application has been transferred without the consent of all other joint owners (Art. 54 (5) of the Act); where a business emblem has not been transferred together with the applicable activities (Art. 54 (7) of the Act); where any state, public organization or non-profit foundation has obtained the registration of its mark and then divisionally transferred thereof but not with associated activities (Art. 54 (8) of the Act); or where a collective mark

has been transferred in violation of the provision that a collective mark may not, in principle, be transferred to any other party but may only be transferred with the approval of KIPO in the case of the merger or consolidation of corporations (Art. 54 (9) of the Act).

- (4) Cancellation of a collective mark registration where a non-member is allowed to use the mark

Art. 73 (1) 5 of the Act provides for yet another ground for cancellation: where a member of a collective organization holding a collective mark has allowed a non-member to use the collective mark in contravention of the articles of incorporation of the organization.

- (5) Cancellation of a collective mark registration where any modification to the articles of incorporation made after the registration of the collective mark might create misunderstanding or confusion

Article 73 (1) 6 provides a ground for cancellation: where any modification to the articles of incorporation made after the registration of the collective mark might create misunderstanding as to the quality of goods or confusion with the goods related to any business of another person among general consumers.

- (6) Cancellation of a trademark registration that has been filed by an attorney-in-fact without the consent of the trademark owner

Art. 73 (1) 7 of the Act stipulates that any person holding a trademark registration in a Contracting Party or any other mark similar thereto (hereinafter referred to as a “foreign trademark owner”) may file, within five years of the date of application for registration, a proceeding to cancel a trademark registration that has been filed without the consent of the trademark owner by an attorney-in-fact or representative of such foreign trademark owner or any person who was such attorney-in-fact or representative within one year prior to the date of application.

- (7) Cancellation of a trademark registration due to illegitimate use by a licensee

Article 73 (1) 8 of the Act provides ground for cancellation: where an exclusive licensee or non-exclusive licensee causes misunderstanding of the quality of goods or confusion with the goods associated with another person’s business among general consumers by using a registered trademark or any mark similar thereto in relation to designated goods or any goods similar thereto; provided, however, that a proviso thereto stipulates that the provision not be applicable if the trademark owner has used due diligence, otherwise it would be too harsh of an outcome for the trademark owner.

(8) Cancellation of a trademark registration due to illegitimate use by the trademark owner after the transfer thereof

Article 73 (1) 9 of the Act provides a ground for cancellation: where transfer of a trademark registration results in similar registered trademarks being held by different trademark owners and one of the owners causes misunderstanding of the quality of goods or confusion with the goods associated with another person's business among consumers by using his registered trademark in relation to goods identical or similar to the designated goods for purposes of unfair competition.

(9) Cancellation of a collective mark registration due to willful omission by the holder

Article 73 (1) 10 provides a ground for cancellation: where a holder of a collective mark willfully omitted to take reasonable measures against any non-member who causes misunderstanding as to the quality of goods or confusion with the goods associated with another person's business among consumers by using the collective mark.

(10) Cancellation of a geographical collective mark where the holder effectively discourages any eligible person from joining or permits an ineligible person to join

Article 73 (1) 11 provides a ground for cancellation of a geographical collective mark: (i) where a holder of the mark effectively prohibits or discourages any person engaged in the production, manufacturing or processing of such goods from joining the collective organization as may bear the geographical indication, or establishes entry requirements that make it difficult for such person to join, or (ii) where a holder permits any person not eligible to use the geographical indication to join.

(11) Cancellation of a trademark registration due to the failure to comply with the obligation to prevent confusion with respect to a homonymous or homophonic geographical indication

Art. 73 (1) 12 of the Act provides a ground for cancellation: where a member of a collective organization holding a geographical collective mark uses the mark in violation of the provision of Article 90-2 of the Act and thereby causes misunderstanding as to the quality of goods or confusion with the geographical source among consumers.

3. Filing of a cancellation proceeding

(1) Petitioner

a. Party in interest

Only a party in interest may file a proceeding to cancel a trademark registration, where "party in interest" refers to any person who has a direct and substantial interest in the lapse of a registered trademark that is subject to the cancellation proceeding.

b. Any person

For the sake of complete protection of interests of consumers, not only is a party in interest deemed to have standing to file a cancellation proceeding, but also any person is deemed to have standing and can bring a suit for public interest purposes (the proviso of Art. 73 (6) of the Act): where the trademark owner has illegitimately used a mark (Art. 73 (1) 2 of the Act); where articles of incorporation have been modified since a collective mark was registered (Art. 73 (1) 6 of the Act); where an exclusive licensee has illegitimately used a mark (Art. 73 (1) 8 of the Act); where divisional transfer of similar trademarks may create misunderstanding as to the quality of goods or confusion as to the source (Art. 73 (1) 9 of the Act); where a collective mark registration may be cancelled due to willful omission by the holder (Art. 73 (1) 10 of the Act); where a holder of a geographical collective mark effectively discourages any eligible person from joining the collective organization or permits an ineligible person to join (Art. 73 (1) 11 of the Act); or where a trademark registration may be cancelled due to the failure to comply with the obligation to prevent confusion with respect to a homonymous or homophonic geographical indication (Art. 73 (1) 12 of the Act).

c. Legitimate trademark owner

Only a legitimate trademark owner may file a cancellation proceeding in cases where the proceeding is brought to protect legitimate trademark owners in Contracting Parties (Art. 73 (1) 7 of the Act).

(2) Respondent

The respondent is the trademark owner as of the date of filing, or all joint owners if the trademark registration is jointly owned.

(3) Burden of proof

The burden of proof of grounds for cancellation is, in principle, on the petitioner; provided, however, that the burden is placed on the respondent in the case of a cancellation proceeding due to nonuse as no one but the trademark owner is better informed of the use of a trademark than any other persons (Art. 73 (4) of the Act).

(4) Time bar

a. (3) Three-year time bar

To ensure legal certainty through early resolution of legal rights, it is provided that a cancellation proceeding may not be brought if three years have elapsed since the ground for cancellation ceased to exist (Art. 76 (2) of the Act). These grounds for cancellation are as follows: where the trademark owner has illegitimately used a mark (Art. 73 (1) 2 of the Act); where a member of the collective organization concerned has allowed

a non-member to use a collective mark (Art. 73 (1) 5 of the Act); where articles of incorporation have been modified since a collective mark was registered (Art. 73 (1) 6 of the Act); where an exclusive licensee has illegitimately used a mark (Art. 73 (1) 8 of the Act); where divisional transfer of similar trademarks may create misunderstanding as to the quality of goods or confusion as to the source (Art. 73 (1) 9 of the Act); where a collective mark registration may be cancelled due to willful omission by the holder (Art. 73 (1) 10 of the Act); where a holder of a geographical collective mark effectively discourages any eligible person from joining the collective organization or permits ineligible person to join (Art. 73 (1) 11 of the Act); or where a trademark registration may be cancelled due to the failure to comply with the obligation to prevent confusion with respect to a homonymous or homophonic geographical indication (Art. 73 (1) 12 of the Act).

b. Five-year time bar

Any cancellation proceeding based on the provision of Article 73 (1) 7 of the Act must be brought within five years of the date of registration of the mark (Art. 73 (1) 7 of the Act).

c. Non-time barred proceedings

In the case of Articles 73 (1) 3 or 73 (1) 4 of the Act, a ground for cancellation must exist as of the date of filing and therefore no time bar is applicable.

(5) Ground for cancellation ceasing to exist after filing

Where a cancellation proceeding has been brought based on an event as set forth in Subparagraph 2, 3, 5, 6, 8 or 12 of Article 73 (1) of the Act, the event ceasing to exist does not affect the ground for cancellation (Art. 73 (5) of the Act).

4. Hearing procedures

(1) Manner of hearing

a. Oral or written hearing

Hearings in a cancellation proceeding may be either oral or written; provided, however, that an oral hearing must be held if so requested by the petitioner unless it is deemed that written hearings alone are sufficient to reach a decision (Art. 77 of the Act; Art. 154 (1) of the Patent Act *mutatis mutandis*).

b. *Ex proprio motu* principle

The principles of *Untersuchungsgrundsatz* (investigation by the court) and *Zustellungen von Amts wegen* (service by the court) are followed to expedite the proceeding and prevent any third-party interests from being unduly prejudiced, for a trademark has an *erga omnes*

effect (Art. 77 of the Act; Arts. 158 and 159 of the Patent Act *mutatis mutandis*). In addition, a cancellation proceeding against a trademark registration is an *inter partes* proceeding; therefore third parties are allowed to intervene in the proceeding (Art. 82 (2) of the Act interpreted *a contrario*).

(2) Closing of a proceeding

A proceeding, in principle, is closed by a trial decision (Art. 77 of the Act; Art. 162 (1) of the Patent Act *mutatis mutandis*). Alternatively, a proceeding is also closed upon: the dismissal of the petition for the proceeding (Art. 77 of the Act; Art. 141 (2) of the Patent Act *mutatis mutandis*); the dismissal due to unlawful petition (Art. 77 of the Act; Art. 142 of the Patent Act *mutatis mutandis*); or the withdrawal of petition (Art. 77 of the Act; Art. 161 of the Patent Act *mutatis mutandis*).

5. Effect

(1) Effect of filing for a proceeding

Upon the filing of any cancellation proceeding against a trademark registration, the presiding judge must notify the exclusive licensee of the mark or any other persons named in the registration.

(2) Effect of trial decision

a. Lapse of trademark rights

A trademark registration lapses prospectively from the point at which a KIPT decision to cancel the registration becomes final and conclusive (Art. 73 (7) of the Act).

b. Double jeopardy

After a KIPT decision to cancel a trademark registration becomes final and conclusive, no person may file a proceeding in reliance on the same facts and evidence of the case (Art. 77 of the Act; the main clause of Art. 163 of the Patent Act *mutatis mutandis*); provided, however, that this provision does not apply if the final KIPT decision is a dismissal.

c. Trademark owner and user prohibited from obtaining a trademark registration for three years (Art. 7 (5) of the Act)

Any trademark owner or user of a registered trademark may not obtain the registration of any trademarks identical or similar to said registered trademark within three years if there is a petition for a cancellation proceeding against said trademark on any of the grounds as set forth in Articles 73 (1) 2, 73 (1) 3, 73 (1) 5 and 73 (1) 5 through 73 (1) 12 of the Act and thereafter:

- (i) the period as set forth in the proviso of Article 43 (2) of the Act has expired – the trademark registration has lapsed due the expiration of the trademark registration;

- (ii) the trademark owner abandons part of his trademark rights or designated goods; or
- (iii) there is a final decision to cancel the registration of said trademark.

d. Petitioner taking the priority of application for six months (Art. 8 (5) of the Act)

To ensure the substantial effect of the cancellation proceeding based on nonuse, the Trademark Act stipulates that only a petitioner may seek to obtain the registration of a mark identical or similar to a lapsed trademark for goods identical or similar to those designated for the lapsed trademark for a period of six months (amended in Jan. 2007) if the petitioner filed a cancellation proceeding and thereafter:

- (i) the period as set forth in the proviso of Article 43 (2) of the Act has expired – the trademark registration lapsed due the expiration of the trademark registration; (ii) the trademark owner abandoned part of his trademark rights or designated goods; or
- (iii) there was a final decision to cancel the registration of said trademark.

e. Third persons prohibited from obtaining the registration of a trademark (Art. 7 (1) 8 of the Act)

A final KIPT decision to cancel a trademark registration causes the registration to lapse, where any application filed by any third person for the registration of an identical or a similar trademark in relation to identical or similar designated goods within one year of the lapse is refused. This is to prevent the confusion as to the source of goods as stock of goods bearing a cancelled mark may be circulated in the market for a certain period and the goodwill embodied in said mark may remain in the memory of general consumers.

VII. Proceeding to cancel an exclusive license or non-exclusive license registration

1. Overview

(1) Significance

“Proceeding to cancel a license registration” refers to a proceeding where a panel of judges of the KIPT prospectively extinguishes an exclusive license or non-exclusive license registration if the registration is once validly established based on a contract with a trademark owner and later falls within the scope of certain statutory grounds (Art. 74 (1) of the Act).

(2) Institutional intent

This provision is intended to maintain sound market order by forcing licensees, as is the case with trademark owners, to use registered trademarks in a legitimate manner.

2. Grounds for cancellation

A license registration is subject to a cancellation proceeding if an exclusive licensee or non-exclusive licensee causes misunderstanding of the quality of goods or confusion with the goods associated with another person's business by using a registered trademark or any mark similar thereto in relation to designated goods or any goods similar thereto (Art. 74 (1) of the Act)

3. Requirements

- (i) The trademark must have been used by an exclusive licensee or non-exclusive licensee.
- (ii) The trademark has been used within an identical or a similar extent.
- (iii) The licensee must have caused misunderstanding of the quality of goods or confusion as to the source thereof among consumers.
- (iv) The due diligence by the trademark owner is irrelevant.

4. Filing of a cancellation proceeding

(1) Petitioner

Any person may file a proceeding to cancel a trademark license registration (Art. 74 (3) of the Act).

(2) Burden of proof

The burden of proof on the grounds for cancellation is, in principle, on the petitioner. Therefore, the person filing for cancellation of an exclusive or non-exclusive license must establish a ground for cancellation.

(3) Time bar

A proceeding to cancel an exclusive or non-exclusive license may not be brought if three years have elapsed since the ground for cancellation ceased to exist (Art. 76 (2) of the Act).

(4) Ground for cancellation ceasing to exist after filing

Where a proceeding to cancel an exclusive or non-exclusive license has been brought, the event ceasing to exist does not affect the ground for cancellation (Art. 74 (2) of the Act).

5. Hearing procedures

(1) Manner of hearing

a. Oral or written hearing

Hearings in a proceeding to cancel an exclusive or non-exclusive license may be either oral or written; provided, however, that an oral hearing must be held if so requested by the petitioner unless it is deemed that written hearings alone are sufficient to reach a decision (Art. 77 of the Act; Art. 154 (1) of the Patent Act *mutatis mutandis*).

b. *Ex proprio motu* principle

The principles of *Untersuchungsgrundsatz* (investigation by the court) and *Zustellungen von Amts wegen* (service by the court) are followed to expedite the proceeding (Art. 77 of the Act; Arts. 158 and 159 of the Patent Act *mutatis mutandis*). In addition, a proceeding to cancel an exclusive or non-exclusive license is an *inter partes* proceeding; therefore third parties are allowed to intervene in the proceeding (Art. 82 (2) of the Act interpreted *a contrario*).

(2) Closing of a proceeding

A proceeding, in principle, is closed by a trial decision (Art. 77 of the Act; Art. 162 (1) of the Patent Act *mutatis mutandis*). Alternatively, a proceeding is also closed upon: the dismissal of the petition for the proceeding (Art. 77 of the Act; Art. 141 (2) of the Patent Act *mutatis mutandis*); the dismissal due to unlawful petition (Art. 77 of the Act; Art. 142 of the Patent Act *mutatis mutandis*); or the withdrawal of petition (Art. 77 of the Act; Art. 161 of the Patent Act *mutatis mutandis*).

6. Effect

(1) Effect of filing for a proceeding

Upon the filing of any proceeding to cancel an exclusive or non-exclusive license, the presiding judge must notify the exclusive or non-exclusive licensee of the mark or any other persons named in the registration (Art. 74 (5) of the Act).

(2) Effect of trial decision

a. Lapse of an exclusive license or non-exclusive license registration

An exclusive or non-exclusive license lapses prospectively from the point at which a KIPT decision to cancel the registration becomes final and conclusive (Art. 74 (4) of the Act).

b. Double jeopardy

After a KIPT decision to cancel an exclusive or non-exclusive license becomes final and conclusive, no person may file a proceeding in reliance on the same facts and evidence of the case (Art. 77 of the Act; the main clause of Art. 163 of the Patent Act *mutatis mutandis*);

VIII. Declaratory proceeding

1. Overview

(1) Significance

“Declaratory proceeding” refers to a proceeding where a panel of judges of the KIPT publicly declares whether a certain unregistered trademark falls within the scope of the rights covered by a registered trademark (Art. 75 of the Act).

(2) Institutional intent

This proceeding is intended to allow the KIPT, an administrative agency specialized in trademark examination, to determine the extent of the effect of a trademark registration and find any conflict or infringement so that trademark disputes are prevented and prompt relief against infringement may be sought.

(3) Legal nature

The declaratory proceeding is intended not merely to establish facts regarding the technical extent of a trademark but also to resolve legal rights and declare whether the effect of a registered trademark specifically extends to the use by another person of a mark in question, based on such technical extent. It may, therefore, be deemed to have a nature of a declaratory administrative measure.

2. Types of declaratory proceedings

Declaratory proceedings may be broken down into: (i) the active declaratory proceeding where the trademark owner moves for a KIPT decision declaring that the a trademark used by a third person (often erroneously referred to as the “trademark as set forth in Exhibit A”) falls within the scope of the trademark owner’s registered trademark; and (ii) the passive declaratory proceeding where a party in interest moves for a KIPT decision declaring that the mark used by him does not fall within the scope of the trademark owner’s registered trademark.

3. Filing requirements

(1) Petitioner

Either a trademark owner or party in interest may file a declaratory proceeding (Art. 75 of the Act). The trademark owner is the petitioner in an active declaratory proceeding, whereas the person using or intending to use a potentially infringing trademark (party in interest) is the petitioner in a passive declaratory proceeding.

(2) Respondent

The respondent is the person using a potentially infringing trademark in an active declaratory proceeding or the trademark owner in a passive declaratory proceeding.

(3) Burden of proof

The burden of proof regarding interests and methods of proof is on the petitioner.

(4) Time for petition

A declaratory proceeding may be filed within the duration of a trademark registration. If a declaratory proceeding is filed after the lapse of a trademark registration, the petition is dismissed as inappropriate (Art. 77 of the Act; Art. 142 of the Patent Act *mutatis mutandis*).

4. Hearing procedures

(1) Manner of hearing

a. Oral or written hearing

Hearings in a declaratory proceeding may be either oral or written; provided, however, that an oral hearing must be held if so requested by the petitioner unless it is deemed that written hearings alone are sufficient to reach a decision (Art. 77 of the Act; Art. 154 (1) of the Patent Act *mutatis mutandis*).

b. *Ex proprio motu* principle

The principles of *Untersuchungsgrundsatz* (investigation by the court) and *Zustellungen von Amts wegen* (service by the court) are followed to expedite the proceeding and prevent any third-party interests from being unduly prejudiced, for a trademark has an *erga omnes* effect (Art. 77 of the Act; Arts. 158 and 159 of the Patent Act *mutatis mutandis*). In addition, a declaratory proceeding is an *inter partes* proceeding; therefore third parties are allowed to intervene in the proceeding (Art. 82 (2) of the Act interpreted *a contrario*).

(2) Closing of a proceeding

A proceeding, in principle, is closed by a trial decision (Art. 77 of the Act; Art. 162 (1) of the Patent Act *mutatis mutandis*). Alternatively, a proceeding is also closed upon:

the dismissal of the petition for the proceeding (Art. 77 of the Act; Art. 141 (2) of the Patent Act *mutatis mutandis*); the dismissal due to unlawful petition (Art. 77 of the Act; Art. 142 of the Patent Act *mutatis mutandis*); or the withdrawal of petition (Art. 77 of the Act; Art. 161 of the Patent Act *mutatis mutandis*).

5. Effect of decision

(1) Declaration of legal rights

A final decision rendered in a declaratory proceeding publicly declares whether a certain trademark falls within the scope of a registered trademark.

(2) Double jeopardy

After a declaratory judgment rendered by the KIPT becomes final, no person may file a proceeding in reliance on the same facts and evidence of the case. This is to prevent two contradictory decisions from being rendered in the same case. This provision, however, does not apply if the final KIPT decision is a dismissal (Art. 77 of the Act; the proviso of Article 163 of the Patent Act *mutatis mutandis*).

SEC. 3 RETRIAL

I. Overview

1. Significance

“Retrial” refers to an extraordinary relief proceeding where it is moved that a final decision in an administrative proceeding be overturned and if such decision has statutory and material defects the determination be reviewed *de novo* (Art. 83 of the Act; Arts. 422 and 424 of the Civil Procedure Act).

2. Institutional intent

Although a final KIPT decision settles the dispute in a case and thereby ensures legal certainty, the appropriateness and authority of the proceeding may not be maintained and parties may not obtain relief when legal certainty is overemphasized at the expense of material defects exists regarding procedural requirements or in the establishment of facts. This procedure is intended to address such adverse effects and ensure a complete relief for parties.

II. Grounds for retrial

Grounds for retrial may be classified into: (i) those under the Civil Procedure Act, applicable *mutatis mutandis* under Article 83 (2) of the Act; and (ii) those based on a fraudulent trial under the provisions of Article 84 of the Act.

1. Grounds for retrial under the Civil Procedure Act, applicable *mutatis mutandis* under the Trademark Act

- (i) where the tribunal is not constituted in accordance with the Trademark Act;
- (ii) where a judge who was precluded by the Act from participating in the decision participated therein;
- (iii) where there was a defect in the authority as required for the legal representative, counsel or attorney-in-fact to participate in the proceeding unless the principal or legal representative subsequently ratifies the authority.
- (iv) where a judge who participated in the decision has committed a crime in connection with his official duty relating to the case;
- (v) where a party was led to make a confession or was prevented from producing a means of averment or defense which may affect the decision, due to criminally punishable acts of another person;
- (vi) where a document or any other article used as evidence for the judgment was forged or fraudulently altered;
- (vii) where the false statement of a witness, expert witness, interpreter, sworn party, or legal representative was adopted as the evidence for the judgment;
- (viii) where a civil or criminal judgment or any other decision or an administrative disposition on which the judgment was based has been altered by a different judgment or administrative disposition;
- (ix) where determination was omitted regarding a material point which may affect the judgment;
- (x) where the judgment against in which a petition for a new trial is to be made contradicts the final and conclusive judgment previously pronounced; and
- (xi) where a party, while knowing the domicile or place of abode of the other party, instituted a proceeding by unknown or false domicile or place of abode of the other party.

2. Grounds for retrial unique to the Trademark Act

If the parties to a proceeding obtains a KIPT decision for the purpose of fraudulently injuring the right or interest of a third person in conspiracy with each other, the third person may file for a retrial on the final and conclusive KIPT decision (Art. 84 (1) of the Act).

III. Parties to a retrial

1. Retrial under the Civil Procedure Act

A party to a final decision, in principle, may file for retrial. Therefore, the petitioner in an *ex parte* proceeding may be a petitioner for a retrial, whereas either the petitioner or respondent in an *inter partes* proceeding may be a petitioner for a retrial and the other party a respondent. Under the Act, an association or foundation without juridical personality may have standing to file for a retrial of an *inter partes* proceeding in the name of its representative or manager if there is one (Art. 5 of the Act; Art. 4 of the Patent Act *mutatis mutandis*), while such association or foundation lacks standing to file for a retrial of an *ex parte* proceeding as it is not entitled to file for trademark registration.

2. Retrial of a fraudulent proceeding under the Act

In a retrial of a fraudulent proceeding, a third person who has had his right or interest prejudiced by the fraudulent proceeding becomes a petitioner, and the parties to the fraudulent proceeding becomes respondents (Art. 84 (2) of the Act).

IV. Period in which retrial may be filed for

1. Principles

A retrial may, in principle, be filed for within thirty days of the date on which the petitioner becomes aware of the grounds for the retrial after a KIPT decision became final and conclusive (Art. 86 (1) of the Act; Art. 180 (1) of the Patent Act *mutatis mutandis*). Although this thirty-day period is peremptory and may therefore not be reduced or extended (Art. 426 (2) of the Civil Procedure Act), if the person entitled to file the petition was not able to comply with the above period due to an event that is not attributable to such person, then he may subsequently file the petition within fourteen days of the day on which such event ceases to exist unless one year has elapsed since the expiration of the aforementioned period (Art. 5 of the Act; Art. 17 of the Patent Act). In addition, no retrial may be filed for after a KIPT decision becomes final and conclusive, whether the party was aware of the ground for retrial or not (Art. 86 of the Act; Art. 180 (3) of the Patent Act *mutatis mutandis*).

2. Exceptions

Although the above criteria are applicable with respect to the period in which a retrial may be filed for, there are certain exceptions where such period is deemed to start on different dates as follows:

(1) If retrial is based on defects in the power of attorney

Where a retrial is filed on the basis of defects in the power of attorney, the above thirty-day period is deemed to start on the date immediately following the day on which the petitioner or his legal representative became aware of a KIPT decision by being served with a certified copy of the decision (Art. 86 of the Act; Art. 180 (2) the Patent Act *mutatis mutandis*).

(2) If a ground for retrial comes into existence after a KIPT decision becomes final and conclusive

If a ground for retrial comes into existence after a KIPT decision becomes final and conclusive, then the three-year time bar is deemed to start on the date immediately following the day on which such ground comes into existence (Art. 86 (1) of the Act; Art. 180 (4) of the Patent Act *mutatis mutandis*).

(3) If a final KIPT decision conflicts with another KIPT decision

Where retrial is filed for based on the conflicts between one KIPT decision and another, the above peremptory thirty-day period and the three-year time bar are not applicable (Art. 86 (1) of the Act; Art. 180 (5) of the Patent Act).

V. Retrial procedures

1. Petition and jurisdiction

(1) Petition

Any person intending to file for a retrial is required to file a petition (or complaint) with the KIPT (or the court), including such statements as prescribed by law (Art. 86 of the Act; Art. 184 of the Patent Act *mutatis mutandis*).

(2) Jurisdiction for retrial

A retrial must be filed at the trial level where the grounds thereof came into existence. Therefore, a retrial must be filed with the KIPT if the grounds were a result from a KIPT proceeding, or with the Patent Court or Supreme Court if the grounds were a result from there.

2. Examination in a retrial

(1) Formal examination

If a petition for retrial fails to comply with formal and statutory requirements or applicable fees are not paid, then the presiding judge must order that defects be cured within a prescribed period (Art. 86 (1) of the Act; Art. 184 of the Patent Act *mutatis mutandis*).

Otherwise, the judge may dismiss the petition if the petitioner fails to cure the defects within a certain period.

(2) Examination of lawfulness

A panel of judges must: (i) examine whether there is a ground for retrial if a petition complies with formal requirements and is thus deemed lawful; (ii) carry on a proceeding if a ground for retrial is deemed to exist; and (iii) dismiss the petition if no ground for retrial is deemed to exist.

(3) Examination of grounds for retrial

If a petition for retrial satisfies the above requirements or, in other words, a ground for retrial is deemed to exist, a panel of judges must reverse the applicable final KIPT decision and render a decision *de novo*.

3. Hearing and decision

(1) Manner of hearing

a. Restrictions on ex officio examination

Pleadings and judgment on the merits of retrial must be made only within the limit of the cause of retrial as asserted by the petitioner, and other merits may not be examined (Art. 86 (1) of the Act; Art. 429 (1) of the Civil Procedure Act).

b. Hearing procedures

The provisions relating to a proceeding shall apply *mutatis mutandis* to a retrial against a KIPT decision, unless they are not compatible (Art. 86 of the Act; Art. 184 of the Patent Act *mutatis mutandis*).

(2) Decision

As in the case of a KIPT proceeding, a retrial is closed by a KIPT decision. Therefore, the following decisions are rendered depending on the examination of merits in a retrial:

a. Where the original decision is improper

If examination of merits in a retrial finds the original final decision improper, the original decision is reversed and a decision is rendered *de novo* within the extent of assertions of the dissatisfied party.

b. Where the original decision is proper

If a final KIPT decision is found to be proper, another KIPT decision identical to the original decision must be rendered again.

VI. Effect of retrial

1. Effect by the petition for retrial

As is the case with a retrial in civil cases, the petition for a retrial of a trademark proceeding alone does not, predictably, suspend the enforcement of a final KIPT decision.

2. Effect by a KIPT decision

(1) Final effect and double jeopardy

If a decision rendered in a retrial becomes formally final and conclusive, it also becomes substantially final and conclusive, upon which no person may file a proceeding in reliance on the same facts and evidence of the case (Art. 82 of the Act; Art. 163 of the Patent Act *mutatis mutandis*);

(2) Restrictions on the effect of trademark rights

If a trademark registration is restored by a retrial, no effect of trademark rights extends to any act of using in good faith a trademark identical to the registered trademark on any goods identical to the designated goods after the trial decision becomes final and conclusive and before the request for the retrial is registered, or any act falling under any Subparagraph of Article 66.

VII. Appeal from a decision rendered in a retrial

If a party is dissatisfied with a decision rendered in a retrial, an initial or final appeal is permitted, depending on the level of trial; provided, however, that no person may appeal from a decision rendered in a retrial against a decision rendered in a final appeal.

SEC. 4 LITIGATION

I. Lawsuit to reverse a KIPT decision

1. Significance

Any person dissatisfied with a decision rendered by the KIPT may institute a lawsuit with the Patent Court (Art. 86 (2) of the Act; Art. 186 (1) of the Patent Act *mutatis mutandis*). The trademark proceeding system effective under the former Trademark Act prior to the amendment by Act No. 4895 on January 5, 1995, had a litigation hierarchy where the first and second trials were handled, respectively, by a tribunal and an appeal tribunal, both established within the KIPO, and only the final appeal was handled by the Supreme Court. As such, the trademark proceeding system, however, causes a

non-judicial officer in a tribunal (or appeal tribunal) established within an administrative body to examine the case in both the first and second trials and thereby does not afford a judicial officer an opportunity to conduct merits review. It has therefore been often labeled as inappropriate and potentially unconstitutional. Thus, KIPO and the Supreme Court, two competent bodies, engaged in a series of discussions until they reached a consensus, revised the Court Organization Act to establish the Patent Court, and integrated the tribunal and appeal tribunal within KIPO into the KIPT. Consequently, the two-tier administrative proceeding system was reduced to a single-tier one, from which an appeal may be instituted with the Patent Court. As decisions rendered by the KIPT are essentially administrative dispositions, administrative proceedings and administrative litigation procedures may seem more applicable, but the unique characteristics and quasi-judicial nature of trademark cases make it inappropriate to apply the Administrative Litigation Act as it is, resulting in litigation provisions included in the Trademark Act.

2. Legal nature

Although a first-instance suit is ordinarily lodged with a district court, a suit to reverse a KIPT decision is instituted with the Patent Court; provided, however, that the suit effectively has a nature of an appeal in that it is against a decision rendered by the KIPT, a quasi-judicial body.

3. Subject matter

The subject matter of the suit is a KIPT decision, a rejection of an amendment, or a dismissal of a petition for a proceeding or retrial (Art. 86 (2) of the Act; Art. 186 (1) of the Patent Act *mutatis mutandis*). In this context, KIPT decisions include not only those found in final determinations in cases but also those found in dismissing petitions for proceedings and those rendered in retrials.

4. Jurisdiction

Any person dissatisfied with a decision rendered by the KIPT must institute a lawsuit to reverse the decision with the Patent Court (Art. 86 (2) of the Act; Art. 186 (1) of the Patent Act *mutatis mutandis*). In other words, the Patent Court exercises exclusive jurisdiction over the lawsuits to reverse KIPT decisions.

5. Parties

(1) Plaintiff

No other person but the parties to the original proceeding (or their successors), intervener, and those who applied to intervene in the proceeding or retrial but was denied, may file an appeal against the decision rendered in such proceeding (Art. 86 (2) of the Act; Art. 186 (2) of the Patent Act *mutatis mutandis*).

(2) Defendant

In a lawsuit to reverse a KIPT decision, the defendant varies depending on the type of the case. More specifically, the defendant is KIPO in an *ex parte* case, or the petitioner or respondent in the original proceeding in an *inter partes* case (Art. 86 (2) of the Act; Art. 187 of the Patent Act *mutatis mutandis*).

(3) Intervener

Any third person who might have his interest adversely affected by the outcome of a lawsuit may be allowed to intervene in the suit, where the intervener has a position of a compulsory joinder of parties (Art. 62 of the Civil Procedure Act). The intervener, therefore, may produce a means of averment or defense in an independent manner and prevent parties to the suit from performing a procedural act in a manner adversely affecting the intervener.

6. Institution of a lawsuit

(1) Period in which a lawsuit may be lodged

A lawsuit to reverse a KIPT decision must be lodged within thirty days of the service of a certified copy of the decision (Art. 86 (2) of the Act; Art. 186 (3) of the Patent Act *mutatis mutandis*). Although this thirty-day period is peremptory and may therefore not be reduced or extended (Art. 86 (2) of the Act; Art. 186 (4) of the Patent Act *mutatis mutandis*), the presiding judge may extend the period *ex officio* for the benefit of any person residing in an area that is remote or difficult to access (Art. 86 (2) of the Act; Art. 186 (5) of the Patent Act *mutatis mutandis*). The above period is deemed to start on the date immediately following the day on which the copy of the decision is served (Art. 5 of the Act; Art. 14-1 of the Patent Act *mutatis mutandis*).

(2) Filing of a complaint

The institution of a lawsuit is triggered by the filing of a complaint with a court (Art. 226 of the Civil Procedure Act); therefore, the complaint must be filed with the Patent Court. Although a lawsuit to reverse a KIPT decision does have an appellate nature, it is the first procedural act with respect to the judicial branch, which naturally requires filing of a complaint with the Patent Court.

(3) Notification of lawsuit

If and when a KIPT decision becomes final and conclusive, KIPO must register the decision in the trademark register and deregister or modify entries accordingly. The institution of a lawsuit against such decision, however, stops the decision from being final and conclusive. Therefore, upon the filing of a lawsuit against a KIPT decision, the court must promptly notify the KIPT thereof in order to stop KIPO from recording entries (Art. 86 (2) of the Act; Art. 188 (1) of the Patent Act *mutatis mutandis*).

7. Examination

(1) General principles of examination

Upon the receipt of a complaint, a number of judges participate in a preparatory procedure to reduce issues to order prior to the date of an oral proceeding so that the case may be handled as rapidly as possible, and where it may be possible to have a single hearing. Applicable to hearings are the principles of party presentation and open trial, as well as, the principle of investigation by the court for public good considerations.

(2) Subject matter

A lawsuit to reverse a KIPT decision examines: (i) substantial errors that may have been committed in the decision; (ii) procedural errors that may have been committed during the proceeding; and (iii) whether the original panel omitted to make judgments regarding important issues or articles of evidence that may affect the conclusion of the decision.

(3) Scope

There are no express provisions for or agreement amongst different theories as to the question of, to what extent the Patent Court may examine merits. More specifically, a theory dictates that any assertions and establishment of facts be admissible without limitation as the Patent Court is the court of first instance, whereas another theory is that new assertions and articles of evidence that were not examined in a KIPT proceeding may not be admissible in an unlimited manner. Although the Patent Court of Korea allows parties to submit new methods of proof that were not discussed in the KIPT proceeding from the perspective of the former theory, it also finds that, in the case of a lawsuit against a refusal decision, the KIPT as a defendant may not add or modify other reasons for disposition that are dissimilar to the causes of refusal or dismissal relied on in previous examinations and/or proceedings.

8. Judgment

Taking the whole purport of pleading and the result of the investigation of evidence into consideration, the court must determine, by its free conviction, the truthfulness of

the allegation of facts on the basis of the idea of social justice and equity in accordance with principles of logic and experience (Art. 187 of the Civil Procedure Act). If a lawsuit is deemed mature enough to produce a judgment, the court closes oral proceedings and pronounces a judgment on a date designated by the presiding judge (Art. 191 of the Civil Procedure Act). In which case, judgment must be pronounced within two weeks of the date on which oral proceedings were concluded; even if a case is complicated or other extraordinary circumstances exist therein, pronouncement of a judgment may not be delayed by more than four weeks from the day on which oral proceedings were concluded (Art. 192 (1) of the Civil Procedure Act). The Patent Court must render a judgment dismissing the petition if it is found to be without merit, or reverse the applicable decision by judgment if the petition is deemed to have merit (Art. 86 (2) of the Act; Art. 189 (1) of the Patent Act *mutatis mutandis*).

9. Final appeal

A final appeal may be instituted with the Supreme Court against a judgment rendered by the Patent Court (Art. 86 (2) of the Act; Art. 186 (3) of the Patent Act *mutatis mutandis*). The Act, however, has no particular provisions for final appeal procedures. Therefore, the final appeal procedures for ordinary civil suits may be deemed to be applicable thereto pursuant to the provisions of Articles 8 (1) and 8 (2) of the Administrative Litigation Act and Articles 425, 396 and 397 (1) of the Civil Procedure Act. An appeal against a judgment rendered in a lawsuit to reverse a KIPT decision may be brought by filing of a petition with the Patent Court within two weeks of the day on which a certified copy of the judgment is served; provided, however, that such appeal may be brought even prior to the service of the copy. As is the case with civil litigation, the period in which a final appeal may be filed is extended from fourteen to thirty days for any person performing procedural acts outside the country (Art. 5 of the Administrative Litigation Act).

II. Administrative litigation

An administrative lawsuit with respect to trademarks is a lawsuit against an administrative disposition rendered by KIPO or the KIPT. It is a lawsuit that seeks to invalidate an application, registration or petition for a proceeding, and it bears no difference whatsoever from ordinary lawsuits against other administrative dispositions by other administrative bodies.

Therefore, the remedy against the dispositions rendered by KIPO or the KIPT may be sought by filing for an administrative proceeding under the Administrative Proceeding Act or an administrative lawsuit under the Administrative Litigation Act.

SEC. 5 PENAL PROVISIONS

I. Overview

The Trademark Act defines certain acts as trademark offenses and provides criminal punishment against any person committing such acts. The Trademark Act also contains other provisions that state that any person violating certain statutory requirements is subject to a civil fine or a monetary penalty under the Non-Contentious Litigation Procedure Act, in order to maintain administrative order.

The trademark offenses as defined in the Trademark Act include: infringement, perjury, false marking and the fraudulent act.

II. Infringement

“Infringement” on a trademark or exclusive license refers to the offense committed by a third person, other than the trademark owner or exclusive licensee, who arbitrarily uses a registered trademark without lawful authorization or just cause (Art. 93 of the Act). As infringement was specifically discussed in Part 2 (4) 5, no further discussion is required here.

III. Perjury

1. Significance and intent

Perjury occurs where a witness, expert witness or interpreter, having taken an oath under the provisions of the Act, makes a false statement, gives a false expert opinion or submits a false translation before the KIPT (Art. 94 (1) of the Act).

2. Penalty

Any person committing perjury is subject to imprisonment for no more than five years or a fine that does not exceed 10 million Korean Won (the latter part of Article 94 (1) of the Act); provided, however, that such punishment may be reduced or exempted if the person who committed perjury, surrenders himself to justice before a decision to grant or refuse a trademark registration or a KIPT decision becomes final and conclusive (Art. 94 (2) of the Act).

IV. False marking

1. Significance and intent

“False marking” refers to the offense where a trademark that is not registered or applied

for is marked on any goods, advertisements, signboards or transaction documents as if it were a registered trademark or its registration were applied for (Arts. 91 and 95 of the Act).

2. Acts of false marking

(i) An act indicating a trademark that is not registered or applied for, found on any goods, as if it were a registered trademark or its registration were applied for;

(ii) An act indicating a trademark that is not registered or applied for, found on advertisements, signboards, labels or packaging of goods or transaction documents as if it were a registered trademark or its registration were applied for; and

(iii) An act of false marking that would indicate that the trademark is registered with respect to certain goods other than the designated goods, or an act that is likely to cause confusion in the case where the registered trademark is used on goods other than the designated goods.

(iv) The above acts in (i) and (ii) indicating what constitutes false marking applies to acts of making the goods, the packaging, the advertisements, the signboards, and the labels.

3. Penalty

Any person committing any of the above offenses may be punished by imprisonment for no more than three years or by a fine not exceeding 20 million Korean Won (Art. 95 of the Act). Vicarious liability is applicable in the case of false marking (Art. 97 of the Act). In addition to the penalty imposed upon the person committing false marking, therefore, the employer of the offender may also be subject to a fine not exceeding 60 million Korean Won (Art. 97 of the Act).

V. Fraudulent act

1. Significance and intent

“Fraudulent act” refers to the act of obtaining a trademark registration, additional registration of designated goods, renewal of a trademark registration, reclassification of designated goods, or a KIPT decision by fraud or other unlawful acts of deceiving examining attorneys and/or judges (Art. 96 of the Act).

2. Penalty

Any person committing a fraudulent act may be punished by imprisonment for no more than three years, or by a fine not exceeding 20 million Korean Won (the latter part of Art. 96 of the Act). Moreover, vicarious liability is applicable in this case as

well (Art. 97 of the Act). In addition to the penalty imposed upon the person committing a fraudulent act, the employer of the offender may also be subject to a fine not exceeding 60 million Korean Won (Art. 97 of the Act).

VI. Civil fines

1. Significance and intent

A civil fine is a type of monetary penalty imposed in order to maintain administrative order upon an offender. It is not considered to be a criminal punishment as in the case of criminal fines. The provisions of the Penal Code, therefore, are not applicable to the imposition of civil fines. Furthermore, the Non-Contentious Litigation Procedure Act is applicable regarding specific procedures regarding the imposition unless otherwise provided for in other laws.

2. Applicability

The following persons are punished by a civil fine not exceeding 500 thousand Korean Won (Art. 98 (1) of the Act):

(i) any person who takes an oath under Articles 271 (2) and 339 of the Civil Procedure Act, and makes a false statement before the KIPT;

(ii) any person who is ordered to produce or present documents or other things in relation to the taking or preservation of evidence by the KIPT and fails to comply with the order without just cause; and

(iii) any person who is summoned as a witness, expert witness or interpreter by the KIPT, but fails to comply with the summon without just cause, or refuses to take an oath or make a statement, testimony, appraisal or interpretation.

3. Collection of civil fines

If any person ordered to pay a civil fine raises no objection and fails to pay the fine within thirty days of the notification thereof, then the fine is collected according to the examples of the disposition of the national taxes in arrears (Art. 98 (5) of the Act).