South Korea

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Legal framework

National

The laws and regulations governing trademarks in South Korea are:

- the Trademark Act and related regulations; and
- the Unfair Competition Prevention Act.

International

South Korea is a party to the following international treaties concerning trademarks:

- the Paris Convention for the Protection of Industrial Property;
- the Trademark Law Treaty;
- the Nice Agreement on the International Classification of Goods and Services;
- the Madrid Protocol; and
- the Agreement on Trade-Related Aspects of Intellectual Property Rights.

Unregistered marks

Trademark Act

The Trademark Act provides some limited protection for unregistered marks.

Well-known or famous marks: Well-known and famous trademarks are protected whether or not they are registered with the Korean Intellectual Property Office (KIPO). Specifically, the owner of a mark that is famous or merely well known anywhere, in or outside South Korea, can prevent the registration of a confusingly similar mark by filing an information brief or opposition against such mark. Moreover, if such a mark is registered, it is vulnerable to invalidation on the same basis.

A confusingly similar mark can be successfully opposed even if the goods and/or services

associated therewith are not identical or even similar to those of the well-known mark on the basis of the possibility of misleading consumers as to the origin of the relevant goods or services. Any interested party, including the owner of a well-known mark, may file an invalidation action against a registered South Korean mark.

Under the amended Trademark Act effective as of March 1 1998, a mark shall be refused registration if it was filed for unfair purposes, such as to free ride on the reputation and goodwill of a mark that is well known in or outside South Korea.

Prior user's rights: Anyone who uses a mark that is identical or confusingly similar to a mark registered in South Korea in connection with identical or similar goods may continue to use such mark if:

- it has been continuously used since before the application to register the conflicting registered mark was filed, without any intent of unfair competition; and
- as a result of such continuous use, there was widespread awareness of the mark among South Korean consumers on the date that the application to register the conflicting registered mark was filed.

Unfair Competition Prevention Act

The Unfair Competition Prevention Act also provides protection to well-known marks, whether registered in South Korea or not. Any party that is injured, or is likely to be injured, by an act of unfair competition, such as any act intentionally creating confusion between its goods and another person's goods or business facilities by using any indication that is identical or similar to another person's name, trade name or marks, including well-known marks, may institute a civil action seeking injunctive relief, monetary damages and/or the restoration of injured business reputation or goodwill. The Unfair Competition Prevention Act also includes criminal provisions.

Registered marks

Ownership

Any individual or legal entity that is using or intends to use a trademark in South Korea may register such mark under the Trademark Act. A South Korean trademark counsel requires a power of attorney to prosecute an application, but neither notarisation nor legalisation is required.

Scope of protection

Protected: A trademark encompasses all methods of expression used to distinguish the goods or services of one person from those of another. However, since it is impossible to protect all such methods of expression by law, the Trademark Act limits the protectable constituents of a mark. Previously, these constituents were limited to symbols, characters, diagrams, three-dimensional shapes and any combination thereof, as well as colours and colour combinations. As of July 1 2007, protection under the Trademark Act was expanded to include marks comprising a single colour, holograms, motions and all other types of visually recognisable mark.

In order to comply with the South Korea-EU Free Trade Agreement (FTA), the South Korean Trademark Act was amended to reject marks that are deemed to be identical or similar to any geographical indication protected under the FTA or domestic South Korean law.

Additional amendments to the Trademark Act pursuant to the South Korea-US FTA permit the registration of non-visual marks such as sounds and smells. As of March 15 2012, certification marks for the purpose of guaranteeing the quality and characteristics of goods or services can also be registered.

Marks that do not distinguish one person's goods from those of another cannot be registered in compliance with the South Korea-US FTA. If a design mark is used only to appeal to purchasers on the basis of its aesthetic nature, it is not deemed to be a mark under the Trademark Act. However, service marks, collective marks and business emblems can be registered as trademarks.

Not protected: A trademark application will be rejected if the substantive requirements outlined below are not satisfied.

Positive requirement: The most important function of a trademark is to distinguish the goods of one person from those of another. In order to be registered, a mark must have a distinctive feature that enables traders and consumers to distinguish the goods associated therewith from the goods of another. The Trademark Act prohibits the registration of a mark that:

- is deemed to be a common name for the goods to which it applies;

- merely describes the nature of features of the relevant goods;
- conspicuously indicates a geographical name, abbreviation or a map;
- is a common surname or name of a legal entity;
- is a simple and commonplace mark; and
- lack distinctiveness, such as common slogans, catchphrases and expressions used in greetings.

The distinctiveness of a mark is determined when the examination of the mark is concluded, not as of the time that the application is filed. For a mark that combines more than one word, or words with other elements, the distinctiveness is determined on the basis of the mark as a whole, and on the perception thereof by the South Korean general public.

A non-distinctive mark can be registered if consumers can easily recognise the goods indicated by the mark as a result of use of the mark before the application was filed.

Passive requirement (denial of registration): Even if a mark is distinctive, if it is deemed contrary to the public good or another person's prior rights, it cannot be registered. The bases for denying the registration of a mark are enumerated in Article 7 of the Trademark Act.

Procedures

Examination

Trademark applications are first examined by the KIPO for filing formalities. Thereafter, they are examined substantively under the Trademark Act. An initial response to a trademark application is typically issued within approximately nine months of filing.

If the examiner identifies grounds to reject the mark, a notice of preliminary refusal will be issued. In response, the applicant may submit written arguments and/or amendments to the application within a prescribed period. If the applicant does not respond or fails to resolve the grounds for rejection, the KIPO will issue a notice of final rejection. Thereafter, the applicant may appeal to the KIPO IP Tribunal within 30 days.

Oppositions

If upon substantive examination the KIPO examiner identifies no grounds for rejecting a trademark application, or if the basis for a rejection is overcome by the applicant, the mark will be published for opposition in the *Trademark Gazette*.

Any person may file an opposition within two months of the mark's publication. Only a notice of opposition containing a brief statement of the grounds for opposition must be submitted by the two-month deadline. Thereafter, the opponent may file briefs, supporting materials and supplement its arguments during the next 30 days, which can be extended by two additional months. The applicant is also entitled to file arguments and evidence until an opposition decision is issued. Under the Trademark Act, the grounds for opposition are similar to the grounds for rejection. Oppositions are examined by panels of three examiners who determine whether the opposition arguments are persuasive, based on the evidence presented.

If the opposition is deemed persuasive, the KIPO will issue an opposition decision and a final refusal of the application. In such case, the applicant may file an appeal of the opposition decision to the IP Tribunal within 30 days. If no appeal is filed, the decision becomes final and conclusive, and the mark is not registered.

If the opponent's arguments are not persuasive, the KIPO will issue an opposition decision and grant registration of the mark. An opponent may not appeal an opposition decision. However, it may file an invalidation action against the mark once it is registered. The applicant may appeal an opposition decision to the IP Tribunal.

Registration

Once a mark is granted registration, if and when the registration fees are paid, the mark will be entered into the Trademark Register and a registration certificate will be issued. The initial term of a trademark registration is 10 years, which can be renewed every 10 years by means of a simple renewal application and the payment of fees.

Removal from the register

A trademark can be removed from the Trademark Register through the actions outlined below.

Cancellation: Any registered mark that is not used, by the registrant or a licensee thereof on, or in connection with, the designated goods or services for three consecutive years is vulnerable to cancellation on the basis of non-use. A mark can also be cancelled if it is used to cause confusion as to the source of another person's goods or services, or to create a misunderstanding regarding the nature or quality of such goods or services. Any interest party may file a cancellation action.

Before October 6 2013 the registrability of a trademark was determined on the basis of the facts that existed as at the filing date. Thus, if a mark was rejected on the basis of a prior-registered mark, it could not proceed to registration even if such prior-registered mark was subsequently cancelled or expired – that is, cancellation had no retroactive effect in relation to such rejected mark. However, following the amendment of the Trademark Act, it is no longer necessary for a trademark applicant to abandon its application upon filing a cancellation action against a prior-registered mark. An applicant can now file a cancellation action against a cited mark and request a postponement of the examination of its mark until the cancellation action is decided. If the cancellation petitioner prevails and the prior-registered mark is cancelled, the petitioner's mark will subsequently proceed to publication if no other basis for refusal is identified.

Invalidation: Any interested party may file an invalidation action against a registered mark on the same basis as an opposition action. An invalidation action can be filed even after a registered mark has expired. Once the invalidation of a mark becomes final and conclusive, the registration shall be deemed never to have existed. However, if a mark is invalidated for any reason that arose after it was registered (eg, the mark became non-distinctive), the registration is deemed not to have existed from that point in time.

Searches

TheKIPO maintains a free, publicly accessible database called KIPRIS, wherein trademarks can be searched in a variety of ways – for instance, identical and similar mark searches, searches by international class or in all classes, search for traditional or non-traditional device marks.

Enforcement

'Trademark infringement' is defined as:

- using a mark that is identical or confusingly similar to the registered mark of another person on, or in connection with, similar goods or services; and
- delivering, selling, counterfeiting, possessing or keeping a mark that is identical or confusingly similar to the registered mark of another person for the purpose of using or causing a third party to use such mark on or in connection with similar goods or services.

The available remedies for trademark infringement in South Korea are as follows:

- civil remedies, such as preliminary and permanent injunctions, damages, preliminary disposition, provisional seizure and recovery of reputation;
- criminal remedies, including confiscation of infringing goods, fines of up to KRW100 million and imprisonment of up to seven years; and
- administrative remedies, such as seizure of counterfeit goods, border measures by the customs authorities and settlement of disputes between parties.

A rights holder (or exclusive licensee) may seek a preliminary injunction against an alleged infringing party acting with or without negligence or wilfulness, along with a court order for the destruction of the infringing goods and removal of facilities used for the infringement, and other measures required for preventing further infringement.

An injunction may be sought at any time for as long as an infringement or threat of infringement is ongoing. However, an action for damages must be instituted within three years of the infringement actually occurring or of the owner of the trademark right becoming aware of the infringement.

With respect to an infringer that acted with intent or negligently, a mark owner may seek quantified damages based on:

- the number of units sold multiplied by the profit per unit for goods that the mark owner might have sold in the absence of the infringement;
- the infringer's profit; or
- reasonable royalties.

Alternatively, the mark owner may seek unquantified damages of up to KRW50 million.

The Trademark Act provides that the aforesaid statutory damages are available only in cases where the infringing party uses a mark that is identical to, or substantially indistinguishable from (but not merely similar to), another party's registered mark in connection with goods that are identical to, or substantially indistinguishable from (but not merely similar to), the goods designated under the registered mark.

The Unfair Competition Prevention Act provides for similar civil and criminal remedies for trademark infringement.

With respect to criminal proceedings, a rights holder may file a criminal complaint with either the police or the public prosecutor. After an investigation, the prosecutor will decide whether to indict the accused infringer. Those found guilty of intentional trademark infringement are subject to imprisonment of not more than seven years and fines of not more than KRW100 million.

Ownership changes and rights transfers

Assignment

A rights holder may assign a mark in respect of all or some of the designated goods and services. The assignment must be recorded in order to be legally valid. Thus, the change in ownership will have legal effect only on entry in the Trademark Register.

In order to record an assignment with the KIPO, the following documents are required:

- a declaration or deed of assignment signed by the assignor;
- a notarised corporate nationality certificate or notarised certificate of nationality of the assignor; and
- powers of attorney from both the assignor and assignee.

Licence

A mark owner may grant exclusive and non-exclusive licences in respect of a South Korean trademark. Licences can be recorded in the Trademark Register. Use of a mark by both exclusive and non-exclusive licensees (whether or not the licence is recorded) is deemed to be actual use of the relevant mark by the registrant.

Related rights

There are overlapping areas between trademark rights and other IP rights, such as copyright and design rights.

A logo that possesses artistic merit can be protected as a trademark, a copyright and/or a design. The shape of a product or packaging can be protected as a three-dimensional trademark or as a design. In order to be protected as a design, such product or packaging shape can be registered only after substantive examination. Also, in order to register a three-dimensional mark, the shape of the product or packaging must either inherently possess or have acquired distinctiveness, and must be used as a trademark.

Under the Copyright Act, short advertising slogans and titles of books and films are not protected by copyright, but can be protected as trademarks.

Online issues

For top-level domains such as '.com', '.org' or '.net', arbitration under the Uniform Domain Name Dispute Resolution Policy is available. With respect to '.kr' domains, arbitration is available pursuant to the Internet Address Resources Act. In either case, the only available remedies are de-registration or transfer of ownership of the domain name to the successful petitioner. WTR

Examination/registration		
Representative requires a power of attorney when filing? Legalised/notarised?	**Examination for relative grounds for refusal based on earlier rights?**	**Non-traditional marks registrable?**
Yes/No	Yes	3D; holograms; movements; sounds; colours.

Unregistered rights	
Protection for unregistered rights?	**Specific/increased protection for well-known marks?**
Yes: well-known marks.	Yes

Opposition
Can a registration be removed for non-use? Term and start date?
Yes: two months from registration.

Removal from register		
Can a registration be removed for non-use? Term and start date?	**Are proceedings available to remove a mark that has become generic?**	**Are proceedings available to remove a mark that was incorrectly registered?**
Yes: three years' non-use from registration.	Yes	Yes

Enforcement		
Specialist IP/trademark court?	**Punitive damages available?**	**Interim injunctions available? Time limit?**
Yes	Yes	Yes: in some cases.

Ownership changes
Mandatory registration for assignment/licensing documents?
Yes/No

Online issues	
National anti-cybersquatting provisions?	**National alternative dispute resolution policy (DRP) for local ccTLD available?**
Yes	Yes

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Before joining Lee International, Mr McDaniel worked for many years in Dubai, both as a private counsel and in-house. His practice there focused on projects, mining law, mergers and acquisitions, private equity funds, franchising/agency/distributorships and general business and corporate practice. In the United States, Mr McDaniel served as general counsel to National Air Cargo in Buffalo, New York; he was also a partner at a Buffalo law firm.



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