

# **Bad-Faith Trademark Fillings under Korean Trademark Act**

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I

# **Korean Trademark Act**

## **Korean Trademark Act Article 7 (1) (xii)**

(1) Notwithstanding Article 6, **Trademark registration may not** be obtained in any of the following cases:



(xii) trademarks that are identical or similar to a trademark (excluding a geographical indication) that consumers **inside or outside the Republic of Korea easily recognize as indicating the goods of a particular person**, and which are used to obtain **unjust profits** or to **inflict harm** on a particular person and so on;




## II

# **Case of Bad-Faith Trademark fillings**



# Butterfly Case

	Registered Mark	Mark of Prior Use
Mark		
Goods	leather shoes, rubber shoes, bath sandals, school uniform, raincoat, skirt, etc.	sportswear, bags, shoes, and table tennis supplies
Ruling	<p>The Mark of Prior Use may be accepted as a <b>well-known mark in Japan that consumers clearly recognized as that of the defendant</b> in relation to <b>table tennis supplies, including rackets and table tennis accessories, including shoes, clothes, and socks</b> when the application for the registered mark was filed on August 4, 2005. The word 'butterfly' is the core of both the Registered Mark and the Mark of Prior Use, making the two similar. Designated goods of the two marks also has <b>close economic relation</b> to each other given that they are <b>sports-related or kinds of shoes and clothes</b> (Case No. 2010Hu807 by the Supreme Court)</p>	

# VOGUE CASE

	Registered Mark	Mark of Prior Use
Mark	VOGUE	
Goods	gum for home use, memo notes, pens, business card paper, model for learning, etc.	books, newspaper, magazines, yearbooks, calendar, pamphlets, postcards, and bromide
Ruling	<p><b>Even though a magazine</b> (the used goods of Mark of Prior Use) <b>hardly seems to have close economic relation to stationery</b> (the designated goods of the Registered Mark), <b>consumers and sales channels of a magazine and stationery may be overlapped</b>. Therefore, using the Registered Mark for the designated goods may <b>blur distinctiveness of the Mark of Prior Use</b>, which is highly recognized in domestic and abroad; and thus, the registration therefore shall be invalidated under Article 7(1) (12) of the Trademark Act (Case No. 2006Heo11220 by the Patent Court)</p>	

# TOM & JERRY CASE

	Registered Mark	Mark of Prior Use
Mark		
Goods	clothing for pats, sofas, dining table, laundry bags, wigs, instant noodle, etc.	entertainment services, clothes, shoes, bags, accessories, electronic goods, stationery, etc.
Ruling	<p><b>The Mark of Prior Use is well recognized by consumers in Japan and the U.S,</b> however, not registered in Korea. The registered mark shall be regarded to be <b>filed in order to harm</b> the Mark of Prior Use by <b>damaging the intangible value of business reputation and customer drawing power</b> embodied in the well-known Mark of Prior Use, <b>taking advantage of such value</b>, or <b>disturbing the domestic business</b> of the holder of Mark of Prior Use or licensees. The registered mark therefore falls under Article 7(1) (12) of the Trademark Act (Case No. 2008Hu2626 by the Supreme Court)</p>	



# Haagen-Dazs CASE

	Registered Mark	Mark of Prior Use
Mark	<div> <div>하겐 데스</div> <div> Häagendess 1881 </div> </div>	<div> Häagen-Dazs </div>
Goods	Class 25:clothes, bags, leather shoes, etc.	Ice cream, frozen yogurt, etc.
Ruling	<p>The Mark of Prior Use was <b>well known not in Korea but in Japan as the mark indicating ice cream</b> among consumers, and the superiority of the goods provided <b>distinctiveness</b> for consumers and even the general public, making it <b>a famous mark beyond a well-known mark</b> when the application for the Registered Mark was filed. While <b>the appearance of both marks are different, their pronunciation is extremely similar and concepts are not clearly discriminated</b>. The two are therefore <b>totally similar marks</b>.</p> <p>Nevertheless the designated goods have <b>no relation to each other</b>, the Registered mark, similar to the famous mark(<b>coined mark</b>), seems to be filed to harm the famous mark <b>by diluting its value</b> and to <b>acquire unjust benefit by taking advantage of its customer drawing power</b> (Case No. 2010Heo1718 by the Patent Court)</p>	



### III

**Evidence to prove a TM  
Applied for in Bad-Faith**

## **Guidelines for Trademark Examination §26**

- (1) The cited trademark must be perceived as a particular person's trademark among domestic or foreign consumers
  - ✓ Since the provision of this subparagraph includes domestic or foreign consumers, any trademark known only among foreign consumers also fall under this paragraph.
  - ✓ The amendment to the Act in 2007 revised this subparagraph (by deleting "remarkably"), mitigating the required level of well-known of prior used and/or prior registered trademarks. It is, therefore, sufficient if the level of perception is 'well-known.'

## Guidelines for Trademark Examination §26

### (2) Applicability to trademarks and goods

- ✓ Applicability is limited to **a trademark identical or similar** to those as indicating a particular person's good among consumers
- ✓ However, 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 provision of Article 7(1)9 through 7(1)11.



## Guidelines for Trademark Examination §26

(3) Trademarks used for illegitimate purposes

“ To **obtain unjust enrichment, cause damage** to a particular person or otherwise **pursue illegitimate purposes**” as set forth in this subparagraph refers to instances: where in application for the registration of a trademark identical or similar to a trademark that legitimate trademark user has yet to have registered is field 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 field 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.

## Specific criteria

- ✓The test of well-known within or outside the country requires the consideration of (i) such material or method of evidence(the level of advertising or propagation, annual sales, the market share) may be necessary to establish distinctiveness acquired by use; and (ii) creativity of the trademark in question, the question of whether said trademark consist of a trade name, and the lines of business engaged by the business in question
- ✓The test of the existence of illegitimate purpose 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.



# IV

## Characteristic systems And Practice of **KIPO**

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## **Substantial Transition of Burden of Proof**

- ✓ Examiners shall generally have burden of proof of the reasons for the refusal, but they may not be able to prove unjust purposes in the mind of applicants. Therefore, examiners and applicants shall prove objective facts and the mind respectively.
- ✓ Where an examiner finds similar marks, which are well-known, to those for application on the internet, notice of provisional refusal shall be sent based on Article 7(1) (12) of the Trademark Act, considering the similarity and relation to designated goods, and the application shall be rejected unless written argument by the applicant proves that the application of the mark is not for unjust purposes.



## **Statutory Limitation Period of Invalidation Trial**

- ✓ Where an invalidation trial is claimed on the ground of unregistrability of trademark, a five-year long disqualification period usually applies, while a disqualification period does not apply to Article 7(1) (12).
- ✓ Those who claim that bad faith trademark is registered shall prove that their trademarks are well-known home and abroad to invalidate the registered trademark when the application concerned is filed.
- ✓ Act on prevention of trademark registration against principle of good faith is being reviewed to be introduced.

# Thank YOU



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