

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

————— *May 13, 2014*



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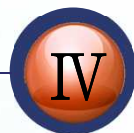
**Korean Trademark Act**



**Examples of “Bad-faith trademark fillings”**



**Three factors for applying Article 7(1)(vii)**



**Characteristic systems and Practice of **KIPO****

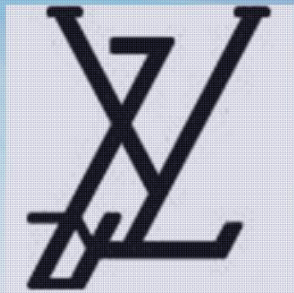


**I**

# *Korean Trademark Act*



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



*Goods: bags, guts for making sausages,  
canes, saddle trees, bridles (harness)*



*Goods: bags*

### *Issue I*

*Are the compared marks  
similar?*

### *Issue II*

*Is LV logo well-Known?*

### *Issue III*

*Is the bad-faith recognized,  
especially except for bags?*



## *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;*

## *Proposed Amendments to the Korean Trademark Act*

*If an application is unfairly made or lacking in good-faith,*

### *AS-IS*

- *Article 7(1)(xii) : the well-known status of original owner's mark is required*
- *Article 7(1)(iv) – marks against public order : the court applies very strict standards*

### *TO-BE*

- *New Article 7(1)(xviii) :*

*An application will be refused where the applicant obtained knowledge of the mark from the original owner through an agreement, transaction, or other relationship*





## II

## *Case of Bad-Faith Trademark Filings*




# Butterfly Case

	<i>Registered Mark</i>	<i>Mark of Prior Use</i>
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>	

# Haagen-Dazs CASE

	Registered Mark	Mark of Prior Use
Mark		
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

*Three factors for applying Article 7(1)(vii)*



## *Establishing well-known status of prior used mark*

*(1) The cited trademark must be perceived as a particular person's trademark by 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.’***

## *Establishing well-known status of prior used mark*

*(2) The prior used mark(cited mark) needs to be well-known **when the bad-faith TM application is filed** (not when the KIPO renders its decision on the registrability of the bad-faith TM application)*

***(3) To establish well-known status, the followings are usually submitted;***

*Evidence including sales volumes, advertising expenditures, market shares, brand rankings, worldwide trademark registration and promotional materials, etc.*

*→ Usually, status of well-known needs to be demonstrated by **significant** sales figures, advertising figures, and significant market share **detailed in objective documents.***



## *Establishing well-known status of prior used mark*

### **(4) Noteworthy Court Decisions (Case No. 2013Hu2460 by Supreme Court)**

#### ***Patent Court***

- ***Not Recognizing well-known status***
  - *Prior used mark (JUNKERS)'s sales figures are not exactly specified (ZEPPELINS's sales figures may be included)*
  - *No critical evidence for proving JUNKER watches' market shares and advertisement figures*

#### ***Supreme Court***

- ***Recognizing well-known status***
  - *Duration of using the JUNKERS mark*
  - *How the JUNKERS mark is started to use*
  - *The number of shops where the JUNKERS watches are sold*
  - *Assessment of JUNKERS watches*



## *Establishing well-known status of prior used mark*

### *(4) Notable Court Decisions (Case No. 2008Hu3124 by the Supreme Court)*

#### *Patent Court*

- ***Not Recognizing well-known status***
  - *Not enough evidence for proving sales figures and advertisement expenditures of BELLAGIO Hotel*
  - *(Note): U.S. District Court's decisions which recognized BELLAGIO Hotel as a famous mark were not sufficient.*

#### *Supreme Court*

- ***Recognizing well-known status***
  - *BELLAGIO Hotel is one of the most luxury Hotels in Las Vegas*
  - *Winning award of AAA Five Diamond by AAA*
  - *U.S. District Courts*

## *Establishing similarity between prior used mark and mark in bad-faith*

- (1) Applicability is limited to **a trademark identical or similar** to those as indicating a particular person's goods to consumers.*
- (2) However, applicability of Article 7(1)(vii) to goods is **not limited**.*
- (3) Notwithstanding, the scope of rejecting (invalidating) the goods of mark in bad-faith can be limited, if the bad-faith of all goods are not recognized.*



## Establishing the bad-faith of an imitated mark

*(1) Trademarks used for illegitimate purposes (Examination Standard Article 26)*

*“ 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 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.*



## *Establishing the bad-faith of an imitated mark*

### *(2) Ground factors to determine the bad-faith*

- Level of fame of the prior-used mark*
- Level of creativity in prior-used mark*
- Level of similarity between the prior-used mark and the mark in bad-faith*
- Level of similarity or economical relationship between goods of prior used mark and goods of mark in bad-faith*
- Whether there is any relationship between applicant of the mark in bad-faith and owner of the prior-used mark*

## *Establishing the bad-faith of an imitating mark*

### **(3) Noteworthy Court Decisions(Case No. 2013Hu2484 by the Supreme Court)**

#### **Patent Court**

##### **■ Recognizing bad-faith for some goods**

- **Recognized:** bags
- **Not recognized:** bags, guts for making sausages, canes, saddle trees, bridles (harness)

#### **Supreme Court**

##### **■ Recognizing bad-faith for all goods**

- LV logo is very famous
- Compared marks are very similar
- Applicant of mark in bad-faith has filed some marks similar to that of LV logo's owner in the past
- Some of goods (bags) are very similar to goods for LV logo



# IV

## *Characteristic systems and Practice of **KIPO***

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## ***Strengthened ex-officio investigation***

- ✓ *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.*

## ***Strengthened ex-officio investigation***

### ***Examples of conducting ex-officio investigation on bad-faith marks***

Mark	Investigation through internet	Examination results
<b>PHILIP STEIN</b> (Watches)	Swiss' watch brand 	Refusal
 (Stationary)	U.S.'s stationary brand 	Refusal

### ***Number of refused bad-faith marks in the KIPO examination phase***

*avg. 77 in Jan-July 2013: → avg. 99 in Aug-Dec 2013*



# Thank YOU



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