

SOUTH KOREA

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LEGAL FRAMEWORK

Domestic law

- 1. What is the primary legislation governing trademarks in your jurisdiction?**

The Trademark Act is the primary legislation governing trademarks in South Korea.

International law

- 2. Which international trademark agreements has your jurisdiction signed?**

South Korea became a member of the Madrid Protocol in April 2003.

Regulators

- 3. Which government bodies regulate trademark law?**

The Korean Intellectual Property Office regulates trademark law.

REGISTRATION AND USE

Ownership of marks

- 4. Who may apply for registration?**

Any natural person or entity can file for an application to register a trademark in South Korea, and actual use is not required.

Scope of trademark

5. What may and may not be protected and registered as a trademark?

Any designations used to identify and distinguish the source of the goods or services, such as words, signs, devices, symbols, logos, sounds, smells, 3D shapes, holograms, motions, colors and any combination thereof, may be registered as a trademark.

A mark cannot be registered as a trademark if it is identical or similar to:

- a generic term;
- a national flag, or an insignia of an international organization, or which otherwise creates a false indication of association with a particular state, race, ethnic group, religion, etc;
- a famous mark of a non-profit organization or a public service;
- a collective mark bearing geographical indication; or
- a trademark or geographical indication recognized by South Korean consumers as indicating the goods of a specific person.

Unregistered trademarks

6. Can trademark rights be established without registration?

No. South Korea is a first-to-file jurisdiction, and the owner of a registered mark enjoys the exclusive right in such mark. However, unregistered marks can avail of protection in the following instances:

- under the Trademark Act, if the unregistered mark is widely used either in or outside South Korea to the extent that the mark has become famous or well known, any mark that is identical or confusingly similar to such mark would be denied registration and may be vulnerable to invalidation if registered; or

- under the Unfair Competition Prevention and Trade Secret Protection Act, unregistered marks that are famous or well-known in South Korea may be protected against misappropriation.

Famous foreign trademarks

7. Is a famous foreign trademark afforded protection even if not used domestically? If so, must the foreign trademark be famous domestically? What proof is required? What protection is provided?

Under the Trademark Act, a famous foreign trademark not registered in South Korea can still block bad faith filing for registration by a third party of an identical or confusingly similar mark. However, such protection does not extend to protection against third parties' use of an identical or confusingly similar mark. To prevent the third party's use of an identical or confusingly similar mark, the foreign trademark must also be famous in South Korea or be registered and used in South Korea.

The benefits of registration

8. What are the benefits of registration?

Upon registration of a trademark, the trademark owner has the exclusive right to use the mark on or in connection with the designated goods and services. In addition, the trademark owner may seek both civil remedies (namely, injunctions, claim for damages and recovery of reputation, etc) and criminal remedies against infringers. Also, only the registrant of the mark may seek statutory damages.

Filing procedure and documentation

9. What documentation is needed to file a trademark application? What rules govern the representation of the mark in the application? Is electronic filing available? Are trademark searches available or required before filing? If so, what procedures and fees apply?

If local counsel is retained to file a trademark application, a power of attorney is needed. No notarization or legalization is required for the power of attorney and no use of evidence is required. While submission of a mark's specimen is not required, the mark should be applied for in the same form as to be used by the applicant. Prior trademark searches are available and, although not required, are recommended to assess the availability of the mark before filing. Electronic filing is also available.

Registration time frame and cost

10. How long does it typically take, and how much does it typically cost, to obtain a trademark registration? When does registration formally come into effect? What circumstances would increase the estimated time and cost of filing a trademark application and receiving a registration?

It generally takes 16 to 17 months from the filing of an application with the Korean Intellectual Property Office (KIPO). Until grant of registration, assuming that no information brief or opposition is filed by a third party and no preliminary rejection is issued by KIPO. Expedited examination of the application is also available in certain circumstances, including where the applicant can prove actual use of the mark at the time of applying for the expedited examination, a bona-fide intent to use the mark, or where the applicant has conducted a trademark search by an external agent approved by KIPO. If the request for expedited examination is granted, the application will be examined within one to two weeks therefrom, and the decision on the registration will be issued within one to two months following KIPO's review.

Assuming that no preliminary rejection is issued and no information brief or opposition is filed by a third party, the official fees payable from the filing to registration of an application are around 260,000 won. If the number of the designated goods and services exceeds 10 items in any single international class, additional official fees of about 2,000 won will be charged per item in excess of 10 items, both when filing an application and again upon registration.

The official application fee for expedited examination is about 160,000 won per application.

Attorneys' fees vary by counsel. In the case of a regular, non-expedited examination, attorneys' fees from the filing of a trademark application through registration in one class range from US\$800 to US\$1,000, assuming no preliminary rejection is issued and no opposition filing is made. In the case of issuance of a preliminary rejection or filing of an opposition, additional attorney's fees will be incurred to respond to such actions.

Classification system

11. What classification system is followed, and how does this system differ from the International Classification System as to the goods and services that can be claimed? Are multi-class applications available and what are the estimated cost savings?

Since its adoption by KIPO in January 2017, South Korea has been using the Nice Agreement on the International Classification of Goods and Services (the 11th edition). Multi-class applications are available in South Korea as well. While discounts are typically available on attorneys' fees for filing multi-class applications, there is no discount on official fees for filing multi-class applications.

Examination procedure

12. What procedure does the trademark office follow when determining whether to grant a registration? Are applications examined for potential conflicts with other trademarks? Are letters of consent accepted to overcome an objection based on a third-party mark? May applicants respond to rejections by the trademark office?

Once determined by the examiner as satisfying the required filing formalities, the application will proceed to substantive review. Upon substantive

examination, absent any grounds for rejection identified by the examiner (or assuming that any initial rejection has been overcome by arguments or amendments, or upon the final rejection of any partial refusal of the designated goods), the application will be approved for publication in the Trademark Publication Gazette. Applications are examined for potential conflicts with other trademarks and applicants can respond to rejections within the prescribed time period. Letter of consent is not accepted to overcome an objection in South Korea. While letter of consent is currently not accepted under South Korean practice to overcome an objection, an amendment to the Trademark Act is under review by the legislature to adopt such a system.

Use of a trademark and registration

13. Does use of a trademark or service mark have to be claimed before registration is granted or issued? Does proof of use have to be submitted? Are foreign registrations granted any rights of priority? If registration is granted without use, is there a time by which use must begin either to maintain the registration or to defeat a third-party challenge on grounds of non-use?

Since South Korea is a first-to-file jurisdiction, use evidence need not be claimed before or after the registration. However, in the event the registered mark becomes subject to cancellation on grounds of non-use, the trademark registrant must be able to prove use of the trademark in the three years preceding the filing of the cancellation action.

Markings

14. What words or symbols can be used to indicate trademark use or registration? Is marking mandatory? What are the benefits of using and the risks of not using such words or symbols?

The owner of a South Korea-registered trademark can use the registration symbol ®. The ™ symbol can be used for both registered and unregistered

marks, including the marks for which applications are pending. Use of trademark marking is not mandatory. Under the Trademark Act, use of the ® symbol on a non-registered trademark constitutes an act of false representation, which can carry a fine of up to 30 million won or up to three years of imprisonment.

Under the Trademark Act, anyone who infringes on another's registered trademark that carries the marking as a registered trademark is presumed to have been aware of the registered status of the mark. Therefore, in such cases, the registrant of such trademark need not prove that the infringement was intentional.

Appealing a denied application

15. Is there an appeal process if the application is denied?

Within three months of receipt of a notice of final rejection, the applicant can file an appeal with the Intellectual Property Tribunal Appeal Board (IPTAB) within KIPO. However, where the ground for the final rejection can be simply overcome by reducing the scope of the designated goods or services, it is now possible to file a request for re-examination without the need to undergo an appeals proceeding before IPTAB.

Third-party opposition

16. Are applications published for opposition? May a third party oppose an application prior to registration, or seek cancellation of a trademark or service mark after registration? What are the primary bases of such challenges, and what are the procedures? May a brand owner oppose a bad-faith application for its mark in a jurisdiction in which it does not have protection? What is the typical range of costs associated with a third-party opposition or cancellation proceeding?

Yes. Third-party opposition may be filed against a published application. Once

a mark is published in the Trademark Publication Gazette, anyone can file an opposition within two months of the publication date. The opposition may initially take the form of a simple notice of opposition containing a simple statement of the grounds for opposition. Within 30 days of filing the notice of opposition, such notice must be amended or supplemented with more detailed grounds for opposition. The 30-day period may be extended once for an additional 30 days.

The grounds for opposition are effectively the same as the grounds for objection to a registration. In this regard, the most commonly cited grounds for opposition are that the mark being applied for is:

- descriptive;
- composed only of ‘simple and commonplace’ components;
- identical or confusingly similar to a third party’s prior mark;
- identical or similar to another’s famous mark which serves as a source indicator for the goods of such other person or goods similar thereto;
- likely to mislead or deceive consumers as to the nature or quality of the goods; and
- identical or similar to another’s mark that is famous in or outside of South Korea as indicating the designated goods of such other person and is filed in bad faith, such as for unjust profits or to inflict harm on the owner of the other mark.

Duration and maintenance of registration

17. How long does a registration remain in effect and what is required to maintain a registration? Is use of the trademark required for its maintenance? If so, what proof of use is required?

A registered trademark is valid for an initial period of 10 years, which can be

renewed perpetually without submission of use evidence. However, a registered mark that has not been in use for three consecutive years may become vulnerable to cancellation based on non-use.

Surrender

18. What is the procedure for surrendering a trademark registration?

A trademark registration may be surrendered by submitting to KIPO a deed of abandonment signed by the registrant or a notarized corporate or individual nationality certificate of the registrant.

Related IP rights

19. Can trademarks be protected under other IP rights?

Yes. Trademarks can be concurrently protected as designs and copyrights, as long as such trademark meets the requirements of the Design Protection Act and the Copyright Act, respectively.

Trademarks online and domain names

20. What regime governs the protection of trademarks online and domain names?

The Trademark Act governs the protection of trademarks online and domain names are governed by the Unfair Competition Prevention and Trade Secret Protection Act and the Internet Address Resources Act (IARA). Courts can adjudicate disputes brought under any of the laws referenced above, and the Internet Address Dispute Resolution Committee can review the cases brought under the IARA, including the resolution of ccTLD-related disputes (eg. .kr domains).

LICENSING AND ASSIGNMENT

Licences

21. May a licence be recorded against a mark in the jurisdiction? How? Are there any benefits to doing so or detriments to not doing so? What provisions are typically included in a licensing agreement?

Trademark licence may be granted either on an exclusive or a non-exclusive basis and does not require recordation to be effective. The amendment of the Trademark Act in 2012 has eliminated the requirement of the recordation of exclusive trademark licences with the Korean Intellectual Property Office (KIPO). Accordingly, a licensee of an exclusive licence can use the licence without having to record the licence. That being said, it is still recommended to record both the exclusive and non-exclusive licences, as so doing puts third parties on constructive notice of the existence of the prior rights in the mark.

Assignment

22. What can be assigned?

Both trademark applications and registrations can be assigned with or without goodwill, or with or without business assets. The assignment of a trademark may be in respect of the entire or part of the goods and services designated under the mark. However, designated goods and services that are similar must be assigned together.

Assignment documentation

23. What documents are required for assignment and what form must they take? What procedures apply?

The following documents are required to record an assignment with KIPO:

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

Upon submission of the application for recordation of the assignment, the application is reviewed by KIPO both for its formality and substance. Upon completion of KIPO's review, the assignment is recorded in the Trademark Register. Absent objections or other issues, it usually takes seven to 10 days from the submission of the application until entry into the Register.

Validity of assignment

24. Must the assignment be recorded for purposes of its validity?

Yes. The assignment must be recorded with KIPO to be valid. The change in ownership takes effect upon its entry in the Trademark Register.

Security interests

25. Are security interests recognized and what form must they take? Must the security interest be recorded for purposes of its validity or enforceability?

Yes. Security interests are recognized and recordation is required for such interests to be valid and enforceable. For this purpose, a deed of security interests needs to be submitted to the KIPO.

ENFORCEMENT

Trademark enforcement proceedings

26. What types of legal or administrative proceedings are available to enforce the rights of a trademark owner against an alleged infringer or dilutive use of a mark, apart from previously discussed opposition and cancellation actions? Are there specialized courts or other tribunals? Is there any provision in the criminal law regarding trademark infringement or an equivalent offence?

Upon occurrence of infringement, the owner of the registered trademark or its exclusive licensee may enforce the rights in such mark by filing a civil action

with a district court. Alternative dispute resolution forums, such as the Korean Intellectual Property Arbitration Centre, may be considered although not widely utilized.

In a civil infringement action, the plaintiff may seek both injunctive relief and monetary damages against the alleged infringer. In addition, the plaintiff may seek destruction of the infringing goods and removal of the facilities used to commit the infringement, as well as other measures necessary to prevent the infringement. As a separate proceeding, the plaintiff may also seek a preliminary injunction, for which the plaintiff must prove imminent and irreparable harm from the infringement.

Intentional trademark infringement is also criminally actionable and may be subject to up to seven years in prison or a fine of up to 100 won million.

Further, as an administrative proceeding, the trademark owner can file an application for seizure of the infringing goods at the border or customs. Such action needs to be followed by a subsequent proceeding in a criminal and (or) civil action on the basis of trademark infringement.

Procedural format and timing

27. What is the format of the infringement proceeding?

A civil action on grounds of trademark infringement is initiated by filing a complaint to court by the party alleging infringement. While there is no formal discovery process in South Korea, the plaintiff may request the court to order production of evidence by the defendant or by a third party in possession of such evidence. If deemed necessary by the court, live testimony may be ordered. The court, in its sole discretion, sometimes accepts written opinions and (or) affidavits of an expert, when material facts are in dispute.

In a criminal action, a trademark owner may file a criminal complaint with the police. After an investigation, the police submit their report to the Prosecutor's

Office with their opinion on whether or not to bring an indictment against the accused, and the case will thereafter be reviewed by the prosecutors for prosecution. The party who has filed the criminal complaint is informed of the results of the prosecutors' investigation. If the accused infringer is not indicted, the party seeking prosecution can file a petition to the Prosecutor's Office to obtain the grounds for the non-indictment and also seek to appeal such non-indictment decision.

Burden of proof

28. What is the burden of proof to establish infringement or dilution?

In an infringement action or an action based on a theory of dilution, the trademark owner has the burden of proof and must prove the basis for and the amount of the monetary damages being sought against the infringer with preponderance of evidence.

Standing

29. Who may seek a remedy for an alleged trademark violation and under what conditions? Who has standing to bring a criminal complaint?

The trademark owner and (or) its exclusive licensee may seek remedies against the person using a mark that is identical or confusingly similar to the registered mark.

As is the case in a civil action, the trademark owner and (or) its exclusive licensee has standing to bring a criminal complaint. The complaint is filed with the police, and for trademark infringement cases, such complaint can also be brought to the Korean Intellectual Property Office's Special Judicial Police. However, only the prosecutor has standing to bring a criminal complaint to the court.

Border enforcement and foreign activities

30. What border enforcement measures are available to halt the import and export of infringing goods? Can activities that take place outside the country of registration support a charge of infringement or dilution?

Once a trademark is registered in South Korea, the trademark owner (or licensee) may record the mark with the Korea Customs Service (KCS) to enable the KCS to screen and locate infringing goods upon entry to South Korea. The KCS will notify the importer of the suspected goods and the recorded trademark owner of any suspected infringing goods. The trademark owner may then submit a statement and evidence as to the genuineness of such goods, within 10 days of receipt of notification from the KCS.

The terrestrial scope of the rights in a South Korea-registered mark is limited to South Korea where it is registered. Therefore, activities that take place outside South Korea cannot support a charge of infringement or dilution, while such circumstances may be taken into consideration if the mark used in such activities was well known in foreign countries, or there has been a business relationship between the trademark owner and the infringer, or where the infringement was intentional.

The KCS may seize infringing goods at the border upon import or export.

Discovery

31. What discovery or disclosure devices are permitted for obtaining evidence from an adverse party, from third parties, or from parties outside the country?

Under the Korean Civil Procedure Act, the court can order production of documents upon a request by a party. Upon issuance of such order by the court, the party receiving the order is obliged to comply with the order in the following instances:

- where the party possesses documents cited in the lawsuit;

- where the party requesting the documents seeks the review or delivery of such documents; or
- where the requested documents have been prepared for advantage over the requesting party or is capable of showing a legal relationship between the requesting party and the requested party.

If the recipient of such order does not comply, such would create an impression in the minds of the court that the requesting party's claims are true, and the court may order a fine against the non-compliant party, which can be appealed.

Timing

32. What is the typical time frame for an infringement or dilution, or related action, at the preliminary injunction and trial levels, and on appeal?

A decision on a preliminary injunction can be rendered anywhere from four to six months from the filing of the motion with the court for such remedy. It generally takes over 15 months to obtain a decision on permanent injunction in a trial on merits at the first instance court level.

Limitation period

33. What is the limitation period for filing an infringement action?

An injunctive relief may be sought at any time so long as the infringement or the threat of infringement is ongoing. However, an action for damages must be filed within three years of becoming aware of the infringement, or the occurrence of the infringement, whichever is earlier.

Litigation costs

34. What is the typical range of costs associated with an infringement or dilution action, including trial preparation, trial and appeal?

Litigation expenses, such as attorneys' fees, can be recovered up to such an amount as determined by the regulation of the Supreme Court.

Appeals

35. What avenues of appeal are available?

The losing party at the first instance court may file for an appeal and such right can be based both on a point of law or on issues of fact, except that, in an appeal before the Supreme Court, the appeal must be which must be solely on an issue of law.

Defenses

36. What defenses are available to a charge of infringement or dilution, or any related action?

The defenses available to an alleged infringer include:

- the disputed marks are not identical or confusingly similar;
- the compared goods or services are not identical or confusingly similar;
- there is no likelihood of confusion among general consumers;
- the use of the mark was based on a legitimate licence;
- the use of the mark was in connection with parallel importation; or
- the invalidity of the claimant's registration due to its generic nature, similarity to a third party's famous mark, etc.

The most widely used defenses include filing of an invalidation or a non-use cancellation action against the registered mark, as an independent proceeding before the Intellectual Property Tribunal Appeal Board. Infringement proceedings can be stayed while the validity of the trademark is under review, except where the invalidity is clear.

Remedies

37. What remedies are available to a successful party in an action for infringement or dilution, etc? What criminal remedies exist?

Monetary damage and injunctive relief (both preliminary and permanent) are the most commonly sought remedies. Administration action may be available in the case of an order for the destruction of the infringing goods by the government authority.

Upon request from the plaintiff, the court may, in lieu of or in addition to damages, order a defendant who has intentionally or negligently injured the business reputation of a trademark owner or its exclusive licensee, to take necessary measures to restore the business reputation. However, this remedy is not commonly used in practice.

Criminal remedy is also available. Criminal liability carries imprisonment of up to seven years or a fine not exceeding 100 million won.

ADR

38. Are ADR techniques available, commonly used and enforceable? What are the benefits and risks?

The Korean Commercial Arbitration Board and the Korean Intellectual Property Arbitration Centre are the main institutions administering arbitration proceedings related to intellectual property. From a timing perspective, since arbitration takes less time than a court decision, depending on the nature of the dispute, arbitration may be a more efficient forum. However, for most trademark infringement or dilution cases, court litigation is a more common means of dispute resolution than arbitration. An additional risk of arbitration is that the decision from an arbitration tribunal cannot be appealed and, despite its legal effect being the same as a court decision, its enforcement may require additional steps than a court decision.

UPDATE AND TRENDS

Key developments of the past year

39. Are there any emerging trends, notable court rulings, or hot topics in the law of trademark infringement or dilution in your jurisdiction?

In South Korea, one of the most common defenses in trademark infringement litigation had been that the defendant's use of the mark was legitimate. In such cases, the trademark owner had to invalidate or cancel the alleged infringer's trademark registration in a separate proceeding before the Intellectual Property Tribunal Appeal Board (IPTAB), and the infringement trial was put on hold pending the outcome of the IPTAB case. However, the Supreme Court has ruled that a later-registered trademark cannot be a defense against the alleged infringement of a prior registered mark, regardless of the registered status of the defendant's trademark. While the full implication of this decision still remains to be seen, such case law is given much weight in assessing the potential risks of an infringement action.

** The information in this chapter was accurate as at August 2023.*