Comprehensive New Amendments to the Korean Trademark Act

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The National Assembly has recently approved a major amendment to the Korean Trademark Act ("Act"), which will go into effect on September 1, 2016. This is the first comprehensive amendment to the Act in 26 years. We have highlighted some of the more important changes below.

1. Legal standing no longer required to file non-use cancellation actions

Currently, a party must have legal standing in order to petition for cancellation of a mark due to non-use, which is usually established by doing business in the same industry as the designated goods/services of the challenged mark or owning an application that is similar or identical to the challenged trademark. By eliminating this standing requirement, the proposed amendment is expected to make it easier to cancel unused marks and thereby create a larger pool of available trademarks for new market entrants.

2. Delayed evaluation of similarity to senior marks

Currently, the Korean Intellectual Property Office will issue an office action for a pending application if there is a similar or identical senior registration or application at the time the pending application was filed. Even if the senior registration is subsequently removed from the register, the examiner will still issue a rejection for the pending application because the senior mark existed as of the application date. The Act has been amended to address this problem by providing that similarity to senior marks will only be reviewed when it is time to review the registrability of the applied-for mark, rather than the application date.

3. Elimination of one year bar against registering marks similar to expunged marks

A potential applicant must currently wait a year before registering a mark similar/identical to a registration that is expunged from the register. The intended purpose of this rule is to protect consumers from potential confusion. However, in order to give new market entrants more choices when selecting their desired trademarks, the amended Act eliminates this one year bar. While all other revisions concerning the registrability of a mark apply to applications that are filed on or after the effective date September 1, 2016, this change applies to applications which are examined on or after the effective date.
4. Expanded restrictions against applications filed by agents

The Act provides that an agent or representative of a party who owns a registered mark in a treaty member country may not register a similar or identical mark in Korea within one year of the termination of the agency relationship. However, in order to cancel such an improperly registered mark, the trademark owner must file a cancellation action within five years of the registration date of the agent's similar/identical mark.

The amended Act expands this provision to prohibit "any party who was in a contractual or business relationship, such as a partnership or employment, or other relationship" from registering a similar or identical mark. The amendment also deletes the one year time limitation, and also effectively removes the statute of limitations by providing that the trademark owner may file an invalidation action (rather than a cancellation action) at any time.

5. Limitations on trademark rights clarified

The Act currently provides that a registered trademark right cannot be enforced against a mark that solely indicates, "in a common way," a person's own name, appellation or trade name, portrait, signature, seal, famous pseudonym, professional name or pen name, or a famous abbreviation of any of the above, unless the mark is used for unfair competitive purposes. However, this limitation has been construed narrowly by courts, such that the stylization of marks, variations in English transliterations, and other minor differences have been interpreted not to be usage "in a common way." The amended Act changes this term to "in accordance with customary practices," which will make it more challenging to assert a registration against a trade name being used in a stylized way.

6. "Electronic use" of trademarks acknowledged

The amended Act explicitly includes "use in an electronic manner" as one of the recognized types of trademark use. Given the development of e-commerce and other electronic services, a number of precedents already have recognized trademark use on the internet or other similar platforms even though they are not included in the current law, and this is now codified in the amended Act.

7. Confirmation of scope trials can be filed for a subset of designated goods

Currently, although trademark invalidation actions and non-use cancellation actions may be filed against a registered mark in connection with only some of the designated goods, it is not possible to conduct scope confirmation actions against a registered mark in this fashion. At the same time, official fees for filing administrative actions (such as scope confirmation actions) are charged on a class by class basis. This means that despite having an interest in only a few goods, there have been cases where the petitioner of a scope confirmation trial was required to spend substantial and unnecessary costs simply because the subject registration covered various classes. The amended Act eliminates this inconsistency and now permits scope confirmation trials as well as invalidation and cancellation actions to be filed for a limited number of similar goods.
8. Broader grounds for rejection of certification marks

A certification mark is used to certify characteristics of the goods or services of others, and cannot be registered if the owner plans to use the mark for its own goods or services. Accordingly, the current Act provides that a person who owns a registration or an application for a trademark, service mark, collective mark, or business emblem is prohibited from registering a certification mark for an identical or similar mark "designating identical or similar goods/services" to those in the existing registration or application, and vice versa. The amended Act deletes the language "designating identical or similar goods/services" from the statute, broadening the scope of this ground for rejection.

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Joining Kim & Chang in 1999, Sung-Nam Kim is a senior patent attorney. Ms. Kim's practice encompasses trademark, unfair competition and design in both prosecution and enforcement. She served as a member of the Committee on Amendment to the Trademark Act for the Korean Intellectual Property Office from 2004 to 2010 and named as one of the leading trademark practitioners in Korea by World Trademark Review 1000 since 2013.

Her extensive knowledge of trademark/design law, careful case preparation, and skilled advocacy are valued by leading companies in a wide array of business sectors, including, sports, confectionary, food, cosmetic, entertainment, pharmaceutical, car industry and fashion and jewellery industries. As a member of the firm's Trademark/Design Practice Group, she was involved in successful defense of recognizable trademarks/designs before courts and the Korean Intellectual Property Office (KIPO). She regularly participates as a speaker at Korean trademark/design practice seminars.

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