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Newsletter

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Supreme Court Clarifies Interpretation of Functional Claim Language in View of Prosecution History of a Parent Application

By Dongkwang KIM, Sooho LEE and Kyeong Tae KANG

Background

Patent applicants often employ the strategy of filing a relatively narrow parent application with the aim of quick allowance, followed by multiple divisional applications to secure protection for claim sets of varying scope. Recently, the Supreme Court provided guidance regarding the interpretation of functional claim language in divisional applications, and specifically how arguments asserted during the prosecution of the parent application may limit the scope of later-filed divisional applications that may be broader than the parent application.

In Supreme Court Decision 2023Hu11340 (July 17, 2025), the Court held that a divisional patent claim based on a functional term must be narrowly interpreted if the claim does not specify concrete structural elements of the term and the specification only discloses narrow embodiments. The Court further emphasized that arguments made during the prosecution of the parent application—such as excluding certain technologies—must be considered in interpreting the scope of a divisional patent.

This decision is significant as it exposes risks in the common strategy of quickly obtaining narrow parent claims followed by filing broader divisional claims, particularly when functional claim language is involved.

Procedural History

The patent at issue related to a second generation divisional application (a divisional of a divisional) claiming a self-cleaning feature of a water purifier's storage tank. The claim included the functional term "cleaning means," which was a broad term without giving any specifics of the actual claimed structure.

During prosecution of the parent application, the examiner rejected the claim based on prior art disclosing an electrolysis device that generated hypochlorous acid (a sterilizing substance) by

electrolyzing a chloride solution to clean a water storage tank, which the examiner determined corresponded to the cleaning means of the parent application.

To overcome this prior art rejection, the patentee amended the claim to specify that "the cleaning means is configured to comprise a filter or a cleaning/sterilizing agent dosing system, which contains cleaning or sterilizing materials internally." The patentee expressly argued that unlike the prior art's electrolysis approach, the cleaning means of the parent application contained internal cleaning or sterilizing materials, and thus did not require electrolysis, saving time and energy for cleaning the water storage tank. The parent application was subsequently granted with these limitations.

After filing two successive divisional applications, the patentee obtained the grant of the patent at issue ("Divisional Patent") with claims broadly reciting "cleaning means," without the limitations that had been added to the parent patent. The granted claims of the Divisional Patent only recited limitations regarding the position of the cleaning means, not its structure. When a competitor sought a declaration of non-infringement for their electrolysis-based cleaning system, the main issue was whether the broadly claimed "cleaning means" in the Divisional Patent encompassed the electrolysis-based cleaning systems that the patentee had disclaimed during prosecution of the parent application. The lower court interpreted the functional term broadly, finding that the electrolysis-based cleaning constituted an equivalent mechanism.

However, the Supreme Court rejected this approach, holding that this broad interpretation was "clearly unreasonable" in light of the specification and prosecution history, and that the term must be limited to the embodiments expressly supported by the disclosure. The Court further noted that this narrow interpretation would be correct regardless of whether the narrowing resulted in the independent claim becoming substantially similar to certain dependent claims.

Supreme Court's Reasoning

The Supreme Court applied its established doctrine regarding interpretation of functional claim language, which permits a narrowing interpretation when literal reading would be "manifestly unreasonable" in view of the technical content of the invention, the specification as a whole, the patentee's intent, and legal certainty for third parties. Such situations include cases where: (i) some interpretations within the literal scope lack support in the specification, or (ii) the patentee has consciously excluded certain embodiments from the claim scope, etc.

Here, the Court narrowly interpreted the "cleaning means" recited in the Divisional Patent based on the following: (i) the specification disclosed only a "cleaning means" containing cleaning or sterilizing materials internally, with no mention whatsoever of electrolysis-based cleaning devices; and, more significantly, (ii) the patentee had expressly disclaimed electrolysis-based cleaning systems from the scope of the claims during prosecution of the parent application in order to

distinguish the prior art. The Court held that the prosecution history of the parent application must be considered when interpreting claims of subsequent divisional applications. Consequently, the "cleaning means" in the Divisional Patent was limited to means that contained cleaning or sterilizing materials internally, and excluded electrolysis-based systems, regardless of the broad literal claim language.

Implications

This decision carries significant implications for Korean patent prosecution strategy. While it has been well established that prosecution history estoppel and narrow interpretation of functional claim language for a specific application operate to limit the scope of that application, it was previously unclear whether statements made during a parent application's prosecution would be binding on divisional applications, as the Court has now affirmed.

The decision particularly impacts the common practice of using divisional applications to pursue broader protection after securing narrow parent claims, since where functional claim language is involved, arguments made to distinguish prior art in the parent application will now limit all subsequent divisional applications as well. This risk is especially acute in complex prosecution scenarios where multiple divisional applications may be contemplated over extended periods.

For practitioners, a more holistic approach to prosecution strategy will be required in response to this decision. When responding to rejections in parent applications, careful consideration must be given to potential future divisional filings, since overly narrow distinctions or unnecessary claim limitations made to expedite allowance of a parent application may foreclose broader protection in later divisional applications. This is particularly critical when dealing with functional claim language, where the specification's disclosure and prosecution statements can dramatically impact claim scope.

Supreme Court Upholds Jurisdiction over Foreign Corporation for Vicarious Criminal Liability in Trade Secret Misappropriation by Its Korean Employees

By Hyun-Jin CHANG, Jae Seon YOON and Mikyung (MK) CHOE

Key Takeaways

- The Korean Supreme Court affirmed the vicarious liability of a Taiwanese company for criminal trade secret misappropriation committed by its Korean employees.
- The decision recognized Korean court's jurisdiction over the Taiwanese corporation for a crime committed by its Korean employees based on the vicarious liability provisions of the Korean trade secret law.
- Foreign corporations should exercise stricter duty of due care and supervision over Korean employees recruited from a Korean competitor.

1. Background

On August 14, 2025, the Korean Supreme Court upheld a guilty verdict against a Taiwanese corporation indicted on charges of trade secret and industrial technology misappropriation committed by its employees (Supreme Court Decision 2022Do8664). In Korea, the vicarious liability provisions in the Unfair Competition Prevention and Trade Secret Protection Act (the "Trade Secret Protection Act") and the Industrial Technology Act provide that if a corporation's employee commits a criminal act in the course of his or her work – including, without limitation, misappropriation of a third party's trade secrets or industrial technology – the corporation itself will also be subject to criminal liability unless the corporation can prove that it did not neglect its duty of due care and supervision over its employees to prevent such a criminal act. The specific issue examined in this Supreme Court case was whether a foreign company is subject to the jurisdiction of Korean courts based on crimes committed in Korea by its Korean employees in connection with their work for the company.

The defendant Taiwanese corporation in this case ("TaiwaneseCo") manufactures and sells LEDs in Taiwan. TaiwaneseCo hired Employee A from a competing Korean corporation ("KoreanCo") in July 2016. In August 2016, Employee A conspired with Employees B and C,

who were still employed by KoreanCo at that time, to leak KoreanCo's trade secrets to TaiwaneseCo. Employees B and C extracted confidential information from KoreanCo in Korea and delivered it to Employee A, who then shared the data with officers and employees of TaiwaneseCo to develop their own products. Employees B and C subsequently joined TaiwaneseCo and further misappropriated KoreanCo's confidential information.

Employees A, B, and C were found guilty of illegally leaking, disclosing, and using KoreanCo's trade secrets and industrial technology. TaiwaneseCo was indicted in a Korean court under the vicarious liability provisions described above in connection with the crimes committed by Employees A, B, and C, on the basis that TaiwaneseCo had failed to exercise its duty of due care and supervision over its employees. TaiwaneseCo argued that, since it is not a Korean corporation and that any negligence in exercising its duty of due care and supervision over its employees was committed outside of Korea, it should not be subject to Korean court's jurisdiction.

The Supreme Court rejected TaiwaneseCo's argument and held that TaiwaneseCo was indeed subject to the Korean court's jurisdiction because at least a material part of the employees' illegal acts was committed in Korea. In addition, the Supreme Court ruled that, because the collusion and misappropriation occurred in Korea, the crime was deemed to have been committed in Korea even if the trade secrets were subsequently disclosed and used outside the country. Further, given that the criminal acts committed by Employees A, B, and C constituted a material element of the crime attributed to the employer under the vicarious liability provisions, the Supreme Court held that the employer also committed the crime within the territory of the Republic of Korea and accordingly recognized the Korean court's jurisdiction over TaiwaneseCo.

2. Significance of Judgment

This Supreme Court decision is the first case in which the Supreme Court has established its rationale for determining whether Korean court's jurisdiction applies to a foreign corporation under the vicarious liability provisions. The ruling indicates that foreign corporations recruiting skilled employees from Korean companies may be subject to criminal prosecution in Korea based on the acts of those employees in Korea, even if the foreign corporation itself took no action in Korea. Foreign corporations are well-advised to implement sufficient measures to ensure that Korean employees hired in Korea do not bring or use their former employer's confidential information in the course of their work for the foreign corporation.

3. Next Step

As this decision sets a clear court precedent for criminally charging foreign corporations based on vicarious liability under Korean law, it is likely that Korean investigative agencies will become more active in investigating foreign corporations for criminal activity committed by their employees or agents, and in enforcing vicarious liability. To minimize the risk of criminal liability in Korea for trade secret misappropriation, both Korean and foreign companies should implement effective management and supervisory procedures when recruiting experienced employees from Korean competitors, thereby fulfilling their duty of due care and supervision over the activities of such employees.

It should be noted that many other Korean statutes contain vicarious criminal liability provisions similar to those under the Trade Secret Protection Act and Industrial Technology Act, and this decision is likely to influence the interpretation of other statutes with such provisions. Therefore, foreign corporations are advised to review all applicable vicarious criminal liability statutes under Korean law, including those related to trade secrets and industrial technology, as well as their systems and procedures to ensure compliance with the conditions for avoiding vicarious liability across all areas.

Navigating Battery Market Turbulence— Strategic IP Defense and Competitive Positioning for Battery & Materials Firms

By Sung-Eun KIM, Inchan Andrew KWON and Ji-Woo KIM

Battery Market Challenges: Causes and Context

The battery sector has been experiencing significant turbulence. Various factors have led to extreme competition in the industry, especially in the United States, such as the slowing pace of electric vehicle adoption, persistent overcapacity in Asian supply chains, compressed margins, and evolving government subsidy frameworks. Western and Asian manufacturers are facing similar pressures to secure profitability and defend strategic market positions in the midst of this volatility.

Real-World Cases: IP as a Tool for Profitability and Competitor Control

In view of these market challenges, battery and battery materials companies increasingly have been using intellectual property to protect revenues and deter rivals. Notable recent examples include:

- **Tulip Innovation vs. Sunwoda (Germany):**
Tulip Innovation manages a large portfolio of LG Energy Solution (LGES) and Panasonic battery patents, offering licensing to global manufacturers and streamlining access to essential lithium-ion technology. Tulip Innovation's business success has been highlighted by real litigation outcomes: for example, Tulip Innovation successfully enforced separator and module patents against Chinese cell maker Sunwoda, resulting in German court-ordered sales bans and product recalls, which demonstrates the power of a targeted IP portfolio for reshaping supply relationships and protecting profits when market share is under threat. One of the key patents used by Tulip Innovation in its recent infringement lawsuits against Sunwoda in Germany—EP 2 378 595 B1 (electrode assembly and coated separator structure)—was previously at the center of global patent disputes between LGES and SK Innovation, including cases before the US International Trade Commission (ITC) and other jurisdictions.

- **LG Chem vs. Ronbay (Korea/China):**

LG Chem brought infringement actions against Ronbay, a major Chinese cathode supplier, targeting their advanced NCM cathode technology, while Ronbay responded by challenging the validity of LG Chem's patents. This ongoing dispute involves major suppliers in the EV battery sector and highlights the competitive and legal tensions in securing technology leadership and market access for cathode materials, and underscores the need for activity in multiple jurisdictions for successful patent assertion and defense.

- **SK Nexilis vs. Solus Advanced Materials (Korea/US/EU):**

Two Korean copper foil makers, SK Nexilis and Solus Advanced Materials, have been involved in ongoing patent and trade secret disputes relating to copper foil technology for lithium-ion batteries. The conflict has spanned multiple jurisdictions, including Korea, the U.S., and Europe, in which SK Nexilis has filed lawsuits claiming patent infringement and trade secret misappropriation, while Solus Advanced Materials has responded with counterclaims and patent invalidation actions. As both companies are key global suppliers of copper foil, the conflict has significance in that the outcome will directly impact supply contracts, market share, and the competitive landscape in advanced battery manufacturing.

- **LG Chem vs. CAMX Power (Korea):**

CAMX Power has achieved significant success through battery cathode technology licensing. Its flagship GEMXTM cathode platform engineering the grain boundaries of high-nickel, low-cobalt materials with cobalt enrichment is protected by over 30 patents globally, and has been licensed to multiple major industry players, including LG Energy Solution, Samsung SDI, Panasonic Energy, BASF, Umicore, EcoPro BM, L&F, and the EV metal group. However, LG Chem was able to successfully challenge and invalidate a key cathode patent held by CAMX Power in Korea on the basis that the patent was an obvious variation on an earlier CAMX patent using the same examples, though this decision has been appealed by CAMX. If upheld, this action has the potential to eliminate future royalty payments in Korea and substantially strengthen the negotiating position of Korean suppliers.

- **CATL vs. CALB (China)**

Two of China's leading battery makers have been engaged in multiple ongoing patent lawsuits. CATL has accused CALB of infringing patents relating to battery modules and thermal management, and is seeking injunctions and significant damages. CALB has responded with counterclaims of invalidity and has filed separate lawsuits against CATL involving other battery-related technologies. CATL has filed patent lawsuits in China against several other Chinese battery manufacturers as well, and has thus far prevailed in most of these cases. Given the recent rapid increase in CATL's overseas applications and the fact that it is building factories overseas, it seems likely that CATL will continue to aggressively pursue patent enforcement overseas as part of its business strategy.

The Importance of Strong IP in Korea

As the above summary of patent disputes clearly shows, Korean companies in particular have been very actively involved in global battery patent disputes. Strong IP in Korea is therefore increasingly important for defending battery market share and negotiating leverage both in Korea and globally, in view of Korean battery companies' technological prowess and the broad reach of their supply chains. Korean battery companies increasingly seem to recognize the use of patents as a potential additional revenue stream in addition to being a tool to defend their businesses, particularly after the patent/trade secret battle between LG ES and SK Innovation, which was settled in April 2021 for \$1.8 billion. As a result, Korean battery companies have been steadily growing their patent portfolios both in Korea and in other major markets such as the US, Europe, Japan, and China, distinguishing them from Chinese companies who have largely only recently begun to focus on acquiring foreign patents, as well as from Japanese companies who have tended to be reluctant to engage aggressively in patent litigation.

Korea also recently made available expedited patent examination for applications relating to certain green technologies, including secondary batteries, which is likely to be very useful to Korean battery companies in obtaining early patent protection and supporting their global patent strategies based on allowed Korean patents. Such expedited examination is potentially available to all applicants, not just Korean entities, and may be a useful tool for any industry players seeking to rapidly grow their battery portfolios.

On the other hand, battery inventions commonly involve claiming specific parameters or specific ranges of known values/properties, but it can be difficult to obtain or defend such claims in Korea due to strict patentability standards for these types of claims under Korean practice. Successful prosecution and enforcement of battery patents in Korea is therefore likely to require careful review and preparation in order to successfully comply with such Korean patentability requirements.

Conclusion

As the competitive landscape shifts, profitability and strategic advantage likely will favor firms that invest in robust, dynamic patent portfolios, including a particular focus on Korean IP, since having IP available to use as both a shield and sword will be key to surviving market challenges and seizing future opportunities in a rapidly evolving industry.

Amendments Expanding Scope of Industrial Technology Protection and Specifying Submission Order Procedures—Promulgated and Scheduled for Enforcement

By Seok Hee LEE, Peter K. PAIK, Se-Hee LEE and Beth JANG

Partial amendments to the "Act on the Prevention of Leakage and Protection of Industrial Technology," passed by the National Assembly on November 13, 2025, were promulgated on December 2, 2025, and will take effect on June 3, 2026 (the "**Amendments**"). The Amendments are expected to significantly strengthen the protection of industrial technology and related trade secrets in litigation and compliance practice.

As previously explained in our November 2025 legal update ([Link](#)), the Amendments (i) expand industrial technology protection to include core strategic technologies in the materials, parts, and equipment sectors (such as semiconductors, secondary batteries, and displays); (ii) clarify and expand the court's authority for orders to submit materials in industrial technology litigation, thereby strengthening their effectiveness in infringement litigation; and (iii) extend the scope of confidentiality orders to trade secrets, ensuring broader information security in litigation. These changes are expected to enable more effective prevention of, and legal remedies against, industrial technology infringement.

Strengthened Submission Order Regime

In industrial technology infringement litigation, key evidence of infringement is typically under the control of the alleged infringer, making it challenging for rights holders to meet their evidentiary burden. Under the former submission order regime, the lack of clear procedures and meaningful sanctions for non-compliance meant that such orders were rarely sought or effectively utilized in practice.

The Amendments introduce an in camera review procedure in industrial technology infringement litigation, clarify that a party may not refuse submission solely because the materials constitute industrial technology or trade secrets, and authorize the court—where a party fails to comply with a submission order—to infer the opposing party's factual assertions to be true. Once in effect, these measures are expected to facilitate rights holders' access to technical documents, design drawings,

process data, sales records, and similar materials held by alleged infringers, and to encourage more active reliance on in camera review and adverse inference remedies where submission is refused.

Expanded Confidentiality Measures

Previously, confidentiality orders applied only to industrial technology, creating a risk that trade secrets could be disclosed during litigation. The Amendments now extend the scope of confidentiality orders to trade secrets. With this change, even sensitive trade secret information required for proving misappropriation in the course of litigation can now be protected through confidentiality orders.

Following implementation of the Amendments, rights holders are expected to be able to pursue effective relief even where infringement is suspected but evidence is difficult to obtain, by proactively leveraging submission orders and confidentiality orders.

Implications for Businesses

These enhanced measures for rights holders will inevitably increase both the procedural burden and the potential legal exposure for companies facing allegations of industrial technology infringement. Companies should therefore review and, where necessary, reinforce their ongoing compliance systems.

More broadly, Korea is joining other jurisdictions in strengthening protection of critical technologies through expanded legislation and rigorous enforcement. Our firm will continue to closely monitor related legislative developments and policy trends and will provide timely updates on significant issues and their practical implications.

Registration for Hewlett Packard Enterprise's Element Logo Obtained on the Basis of Acquired Distinctiveness

By Min Kyoung JEE, Jung Hoon SHIN and Clare Ryeojin PARK

Hewlett Packard Enterprise's ("HPE") trademark application for the Element Logo  was initially refused by the Ministry of Intellectual Property ("MOIP"; formerly the Korea Intellectual Property Office or "KIPO") on the basis that it is a "simple and common" device lacking in distinctiveness. The Logo had been continuously used, however, since 2015, on HPE's products such as physical servers and storage platforms, and a non-glossy variant of the Logo

",



mark in advertising and marketing materials.



HPE thus appealed the rejection to the Intellectual Property Trial and Appeal Board ("IPTAB") to seek registration on the basis of acquired distinctiveness and succeeded, despite the simplicity of the design. Even without the submission of favorable consumer survey results, the IPTAB was persuaded that the Element Logo had been widely used on its own based on the sales volume and market share of the products HPE had sold bearing the mark. In addition, the IPTAB recognized



that the use of the "  Hewlett Packard Enterprise " logo had contributed to the public's awareness that the Element Logo is a source identifier, agreeing with HPE that the "  " portion – although always used together with the Hewlett Packard Enterprise name – nevertheless maintained its individuality and could be perceived separately from the word portion.

Obtaining this registration for the Element Logo was a significant win for HPE because successfully demonstrating secondary meaning under Korean practice remains very challenging. Although the Trademark Act was amended in 2014 to lower the bar such that the relevant mark no longer has to be "*remarkably* recognized among consumers", and only needs to be "recognizable to consumers" as the source-identifier of a certain entity, the number of marks granted registration based on acquired distinctiveness has remained low. The mark as used has to be nearly identical to the mark for which secondary meaning is claimed, and the products/services in connection with which the mark was used have to be practically identical to the designated goods/services.

Rimowa's Successful Invalidation of Earphone Case Designs

By Minjung PARK, Sophia Seunghee LEE, Jung Hoon SHIN and Martin KAGERBAUER

Rimowa's parallel grooves, a distinctive three-dimensional striped pattern, have been an iconic part of its luggage products since the 1950's. This groove design is now widely recognized by consumers worldwide as representing the quintessential "Rimowa style." Over the years, this design has been emulated on various products such as pouches, and cases for cigarettes and for electronic devices. Some of these imitations have even been registered as designs in Korea.

To curb such practices, Rimowa sought to invalidate two design registrations of a Korean individual for earphone cases that featured its groove design, on the basis that they lacked creativity. The Intellectual Property Trial and Appeal Board agreed with Rimowa that these designs could have been easily created from Rimowa's prior luggage design and invalidated them.



The registrant, however, appealed both cases to the IP High Court, arguing that no designer could easily devise an earphone case from a suitcase because the two products differ significantly in size, structure, and function.

Rimowa refuted these arguments by demonstrating that the products are visually and also functionally similar in that they both have protective and portability purposes and comparable structures. It also demonstrated that designers frequently adapt luggage aesthetics to small products by providing many marketplace examples of small accessories copying Rimowa's design

that are referred to by both consumers and sellers as "Rimowa-style cases." Rimowa also provided evidence that the differences cited by the registrant merely reflected the modifications that are inevitably made when translating a large suitcase design into a small accessory.

The IP High Court accepted all of Rimowa's arguments and affirmed the invalidation decisions, holding that a designer could easily create the earphone case designs by applying Rimowa's well-known groove design. The court further clarified that, in assessing the creativeness of a design, the products do not have to be identical or even similar; rather, similarity in function or structure, and design trends across product categories may be just as relevant.

These cases are significant because they confirm that a brand's core design identity, such as Rimowa's groove pattern, can be protected across product categories. They will serve as useful precedents for rights holders whose signature designs are imitated by small accessories manufacturers, a trend which appears to be on the rise.

The matters also hold procedural significance. These were the first international trials conducted in Korea where participation in the court hearings by a representative of an overseas litigant was facilitated by making the hearings accessible by video conference. Rimowa's representative in Germany was invited by the court to attend remotely and he presented the closing arguments. This marks a meaningful step in the Korean judiciary's accommodation of international IP disputes.

Dentist Ordered to Pay Enhanced Damages for Infringing a Neurosurgeon's Service Mark

By Won Joong KIM and Beth JANG

Introduction

The IP High Court's recent decision in Case No. 2024Na11402, where Kim & Chang represented the plaintiff, marks one of the earliest judicial applications of enhanced (punitive) damages for willful trademark infringement. This provision was adopted on October 20, 2020, and the ruling provides rare insight into how judges weigh the statutory factors to recognize and calibrate such damages.

Parties and Background

The plaintiff, a neurosurgeon operating the *Bareunnamu Neurosurgery Clinic* owns a service mark



registration for " (*Bareunnamu* & and tree device)" (Reg. No. 41-330107; "Registered Mark") for a broad range of medical services, including neurosurgery and dental services.

In April 20, 2020, the defendant took over and operated a dental clinic under the name "바른나무치과(*Bareunnamu Dental Clinic*)" but later changed the clinic's name to "Gangnam Sookmyeon Dental Clinic" on March 28, 2024.

On November 9, 2020, the defendant filed a trademark application for "바른나무치과" ("*Bareunnamu Dental Office*"), which was rejected based on the plaintiff's Registered Mark. Anticipating such refusal, the defendant had simultaneously filed a non-use cancellation action against the Registered Mark, but it was dismissed on January 14, 2022, as the plaintiff was able to demonstrate use of the mark with neurosurgical services.

Shortly after the cancellation action was dismissed, the plaintiff sent the defendant a cease-and-desist letter demanding that he stop infringing the Registered Mark and warned that continued infringement could subject the defendant to enhanced damages. Upon receipt of the letter, the

defendant sought to reach a settlement with the plaintiff, but the negotiations failed. Thereafter, the plaintiff brought an action against the defendant before the Seoul Central District Court on December 28, 2022, seeking an injunction prohibiting infringement of the Registered Mark and recovery of damages.

The defendant then filed a new, partial cancellation action against the Registered Mark, targeting just "dental services" this time. It was successful and the targeted services were cancelled from the registration on February 28, 2023.

The Seoul Central District Court recognized the defendant's trademark infringement and awarded damages, but rejected the plaintiff's claim for enhanced damages for the defendant's willful infringement. On appeal, however, the IP High Court ordered damages increased to 1.5 times the base amount. The IP High Court's decision was finalized without appeals from either party.

Similarity Analysis of the Courts

Both courts found that the distinctive portion of the compared marks was "Bareunnamu," since "Dental Clinic" merely described the nature of the services. Given their identical dominant element, the marks were deemed similar.

The more complex issue was whether dental services were similar to medical clinic services, given that the existing precedents were inconsistent. Both courts concurred that dental services were similar to medical clinic services because (i) "medical practice" as defined by the Medical Service Act is interpreted to include dental practice; (ii) many hospitals also have dental departments; and (iii) dental practices and surgical practices partly overlap in treating facial conditions such as temporomandibular joint disorders (in fact, the neurosurgeon plaintiff had also treated patients requiring oral and maxillofacial surgery).

Calculation of Base Damages

Both courts accepted that the plaintiff suffered damages from likely confusion due to the overlapping treatment areas (e.g., maxillofacial work), reduced online visibility and advertising effect due to the defendant's search ads and posts using "Bareunnamu", and loss of opportunity to earn income equivalent to royalties.

Because actual losses could not be precisely measured, both courts exercised their statutory discretion to fix base damages at KRW 50 million, factoring in the defendant's revenue and profits, the relative scale and advertising activity of both clinics, the duration and extent of online infringement, etc., while reducing the amount to account for market context such as limited business overlap.

Willful Infringement and Enhanced Damages

The two courts reached different conclusions regarding the enhanced damages. Courts may order enhanced (punitive) damages for willful infringement, taking into account the factors set forth in Article 110 (8) of the Trademark Act, including: the degree to which the infringed mark's distinctiveness or reputation has been impaired; the extent of the infringer's intent or awareness of the risk of causing harm; the damages suffered by the trademark owner; the economic benefit obtained by the infringer; and the duration and repetition of the infringement.

The first-instance court denied enhanced damages, noting that the defendant had not adopted the name "Bareunnamu Dental Clinic" but had acquired the clinic and continued operating it under that name. However, the IP High Court determined that the defendant's use became willful from November 9, 2020, when the first cancellation action was filed. It emphasized that the defendant had clear knowledge of the plaintiff's rights, received a cease-and-desist letter referencing enhanced damages, and continued using the infringing mark for more than three years despite the failed settlement negotiations and the initiation of infringement proceedings.

The defendant argued that he lacked intent to infringe, believing that the cancellation of dental services from the Registered Mark made it possible for him to use the name for his dental clinic. The IP High Court dismissed this argument, holding that the defendant had no reasonable basis to believe that dental and medical clinic services were dissimilar, and that—even though a non-use cancellation decision has no retroactive effect—the defendant continued the infringement prior to the cancellation of the dental services in the second cancellation proceedings against the Registered Mark.

Implications

The case underscores that continued use after formal notice amid contentious proceedings can transform an otherwise "ordinary" infringement into a willful one, opening the door to enhanced damages, even when the infringer believes they are not engaging in trademark infringement due to factors like limited commercial overlap.

With the statutory cap on willful infringement damages rising from threefold to fivefold effective July 22, 2025, the reasoning in this case provides a useful reference for asserting or defending against enhanced damage claims. Rights holders should maintain detailed evidence of market disruption, while alleged infringers should move to quickly mitigate their risk if a notice of infringement is received.

Amendments to the Korean Design Examination Guidelines

By Hyun Joo HONG and Martin KAGERBAUER

The Design Examination Guidelines were amended as of November 28, 2025, in accordance with the amendments to the Design Protection Act which became effective on the same date. The notable practice changes are as follows.

1. New rejection grounds for designs subject to partial examination

Design applications filed in Korea undergo either substantive examination or partial-substantive examination, depending on the designated Locarno class. Previously, a design subject to partial examination would be registered as long as it met the formality requirements and was not a design that could easily be created from one that is widely known in Korea by a person with ordinary skill in that particular design field.

Under the amended Design Protection Act, an application subject to partial examination can also be rejected if it obviously lacks novelty or conflicts with a senior design. The purpose of this amendment was to prevent the partial design registration system from being abused; by sending a warning letter after registering a design lacking novelty or after re-registering a design which had been invalidated, for instance.

The revised Guidelines provide the following examples of when the new rejection grounds may be issued.

- i) the refiled design is identical or similar to one whose registration was canceled based on an opposition.
- ii) the refiled design is identical or similar to one currently undergoing trial or litigation proceedings, or to one whose invalidity was confirmed through such proceedings.
- iii) when the same applicant files multiple applications for identical or similar designs, or when a party files duplicate applications for a design that is identical or similar to another's design, in violation of the first-to-file rule.
- iv) in other cases where the examiner determines that the applied-for design lacks novelty or violates the first-to-file rule.

2. Additional opposition period for parties who receive an infringement notice

The opposition period for a design registered after partial examination is three months from the publication date of the registered design. Under the amended Act, an opposition may now also be filed within three months of receiving a notice of infringement, for up to one year after the publication date. This additional period aims to offer additional protection against imitation designs that are registered after partial examination.

According to the amended Guidelines, a party "receives an infringement notice" under the following circumstances:

- i) when the party has been notified of the alleged infringement by the design rights holder or its agent in the form of a certified letter, written warning, complaint, application for provisional disposition, etc.
- ii) when the party has received a notice, a warning, or a request for an explanation from an e-commerce or content distribution platform in respect of a rights infringement report.
- iii) when the examiner deems it necessary to recognize the party as the recipient of a design right infringement notice.

3. More flexibility for titles of partial designs

Previously, the title of a partial design had to be the name of the entire product (e.g., 'cup'). However, under the amended Guidelines, if the part to be registered can be identified based on a comprehensive review of the application and the drawings, the name of that part may be used as the title.

- Acceptable examples: cup, cup handle, part of a cup
- Unacceptable examples: cup corner, cup edge, center of a cup, top of a cup, bottom of a cup

The National Assembly's Culture, Sports and Tourism Committee Approves an Amendment to the Copyright Act to Address Pirated Content

By Maria HAJIYEROU, Dong-Won KIM, Hyung Ji KIM and Sun Ah JEONG

1. Overview

The government has been focused on developing the contents industry as a national strategic industry and promoting the global expansion of K-culture. As part of these efforts, the general meeting of the National Assembly's Culture, Sports and Tourism Committee approved a partial amendment to the Copyright Act (Bill No. 2215125, "**Proposed Amendment**") on November 28, 2025, to respond to pirated content. The Proposed Amendment is pending in the plenary session of the National Assembly.

Despite efforts by the government and the National Assembly to prevent the distribution of pirated content, including the establishment of mandatory measures for Content Delivery Network (CDN) providers under the Act on Promotion of Information and Communications Network Utilization and Information Protection, illegal websites using offshore servers continue to rapidly proliferate and frequently change their domains.

The Proposed Amendment makes the act of sharing a link to pirated content an independent infringing act; introduces an emergency blocking system against pirated content to secure swift response capacity; and strengthens sanctions against copyright infringers by enhancing statutory penalties and introducing punitive damages (up to 5x). The key contents and implications of the Proposed Amendment are detailed below.

2. Key Changes

1) Linking to pirated content is deemed an infringing act (Article 124(1)4 and 5)

In an en banc decision in 2021, the Supreme Court held that the act of commercially and continuously providing links could be punished for aiding and abetting copyright infringement (No. 2017Do19025). Accordingly, linking to pirated content will be deemed an independent

infringing act; persons who operate websites, social media notice boards and chat rooms providing such links, or who post such links for commercial purposes will be treated as infringers and directly punished. Such "deemed infringing acts" include:

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- Knowingly conducting commercial activities such as operating websites, or social media notice boards and chat rooms to provide connection to pirated contents;
 - Knowingly posting information to connect to pirated contents on the above websites, or social media notice boards and chat rooms
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2) Ministry of Culture, Sports and Tourism and the Korea Copyright Protection Agency are granted greater authority to block access to pirated content (introducing emergency blocking system)

The Proposed Amendment further clarifies that the Ministry of Culture, Sports and Tourism ("**MCST**") and the Korea Copyright Protection Agency ("**KCOPA**") have the authority to block access to pirated content. The Proposed Amendment also simplifies the procedures for preventing the distribution of pirated content, including the measures described below:

- **Ordering/advising online service providers to block access (Article 133-2(1)3 and Article 133-3(1)4)**

If control cannot be achieved through existing measures (warnings, deletions, etc.), the MCST and KCOPA may order and advise, respectively, online service providers to block access to pirated content following a review by the Copyright Protection Deliberation Committee ("**Committee**").

- **Issuance of emergency blocking orders to online service providers (Article 133-4)**

The MCST may also order an online service provider to block access to pirated content even before the Committee's review ("**emergency block**"). However, such emergency block may only be implemented upon satisfaction of the following requirements:

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- Established fact of transmitting pirated content through information and communications networks
 - Clear infringement of rights
 - Urgent necessity to prevent irrecoverable damages
 - Acknowledgement that no measures other than access blocking are available
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An online service provider who fails to implement the order will be subject to a fine not exceeding KRW 10 million.

Upon ordering an emergency block, the Minister of the MCST must immediately notify the Committee of the order, which then must review and decide within five days whether to maintain it. The alleged publisher or manager of the pirated content subject to the emergency block may file an objection within five days of the blocking order, in which case, the MCST must immediately remove the emergency block.

3) Civil and criminal sanctions are enhanced

In addition to the introduction of the above provisions, the Proposed Amendment enhances the civil and criminal sanctions for infringement.

- **Introduction of punitive damages (Article 125(4) and (5))**

The Proposed Amendment introduces a punitive damages system so that courts may determine a compensation amount of up to five times the acknowledged amount of damages.

In determining the punitive damages amount, the following factors are to be considered: (i) the degree of awareness of intent or the risk of damage; (ii) the size of damages suffered by the copyright holder; (iii) economic profit gained by the infringement due to the infringing act; (iv) the type and severity of criminal punishment imposed on the infringer due to the infringing act; (v) the period and frequency of the infringing act; (vi) the infringer's financial standing; and (vii) measures taken by the infringer after committing the infringing act.

- **Increased statutory penalties (Article 136(1))**

The statutory penalties for infringement of property rights (including property right of copyright) will be increased from "imprisonment not exceeding five years or a fine not exceeding KRW 50 million" to "imprisonment not exceeding seven years or a fine not exceeding KRW 100 million."

3. Legislative Next Steps and Implications

The Proposed Amendment was reviewed by the National Assembly's Legislation and Judiciary Committee on December 10, 2025, and will be submitted to the National Assembly's plenary session soon. According to the Proposed Amendment, the date of enforcement will be six months after promulgation, and the provisions on access blocking and emergency blocks will be applicable three months after promulgation. The punitive damages provisions will be applicable at the time of infringement after the enforcement date.

Under the Proposed Amendment, sharing links online for commercial purposes will be deemed an infringement of rights, and thus following the Proposed Amendment, online service providers will need to carefully manage legal risk, particularly as the level of sanctions on copyright infringement will be heightened through the punitive damages system and the upward adjustment of statutory punishment. Companies are advised to closely follow legislative developments and inspect their monitoring systems ahead of promulgation to prevent any sharing of illegal links in their services, and appropriately update their terms of use and operation policies.

NEWS

Winner of "Country Firm of the Year Awards: South Korea" for the 20th Consecutive Year – Lexology Index Awards 2025

Kim & Chang was honored with the "Country Firm of the Year Awards: South Korea" award for the 20th consecutive year at the *Lexology Index Awards 2025*.



About the Lexology Index Awards: The *Lexology Index Awards* (formerly, *WWL Awards*) is an annual awards ceremony hosted by Lexology, a legal intelligence platform under the global legal media group Law Business Research. Based on independent research and in-depth evaluation, the *Lexology Index Awards* recognize law firms and lawyers who have shown exceptional performance in the past year in over 70 jurisdictions across major practice areas. This year's awards ceremony was held in London on November 26, 2025.

Lexology Index Awards 2025 Winners

Ranked "Band 1" in 17 Areas, 94 "Leading Individuals" – Chambers Asia-Pacific 2026

Kim & Chang obtained a "Band 1" ranking in 17 practice areas in the 2026 edition of *Chambers Asia-Pacific*, once again receiving the most "Band 1" rankings among Korean law firms. With the guide also recognizing 94 of our professionals, the highest number among Korean law firms, as "Leading Individuals," we have demonstrated our market-leading capabilities across a wide range of fields.



In particular, we were the only Korean law firm to be ranked "Band 1" in the "Intellectual Property: Patent Specialist" and "Shipping" categories (for the fourth year in a row) and in the "Dispute Resolution – White-Collar Crime" category (for the second year in a row). Moreover, in the Asia-Pacific Region Legal Rankings, we were the first and only Korean law firm ever to obtain a "Band 2" ranking in the "Climate Change" category.

About Chambers Asia-Pacific: The *Chambers Asia-Pacific* guide, which is published annually by world-renowned legal media Chambers and Partners, provides an assessment of the Asia-Pacific legal market. This year, the guide recognized outstanding law firms and lawyers across 19 practice

areas surveyed for Korea based on its evaluation of firms' submissions, interviews with key clients and partners, and independent research.

Below are the details of our rankings this year:

Firm Rankings

South Korea ("Band 1" in 17 out of 19 practice areas surveyed for Korea)

- Banking & Finance: Band 1
- Capital Markets (Capital Markets: Securitisation): Band 1
- Competition/Antitrust: Band 1
- Corporate/M&A: Band 1
- Dispute Resolution – Arbitration: Band 1
- Dispute Resolution – Litigation: Band 1
- Dispute Resolution – White-Collar Crime: Band 1
- Employment: Band 1
- Insurance: Band 1
- Intellectual Property: Band 1
- Intellectual Property – Patent Specialist: Band 1
- International Trade: Band 1
- Projects & Energy: Band 1
- Real Estate: Band 1
- Restructuring/Insolvency: Band 1
- Shipping: Band 1
- Shipping – Finance: Band 2
- Tax (Tax: Consultant): Band 1
- Technology, Media, Telecoms (TMT): Band 2

North Korea

- General Business Law: Spotlight

Asia-Pacific Region

- Arbitration (International): Band 4
- Climate Change: Band 2

For individual categories, 94 of our professionals were recognized as "Leading Individuals." In the Intellectual Property practice area, Jay (Young-June) Yang, Young Kim, Duck Soon Chang, Sang-Wook Han, Seong-Soo Park, Yu-Seog Won, Minjung Park, Cheonwoo Son, Chun Y. Yang, and John J. Kim were selected as "Leading Lawyers."

"Korea Law Firm of the Year" for 13 Years in a Row – ALB Korea Law Awards 2025

For the thirteenth consecutive year, Kim & Chang won the "Korea Law Firm of the Year" award at the *ALB Korea Law Awards 2025* held in Seoul on November 6, 2025.



At the awards ceremony, Kim & Chang received the highest recognition in a total of nine categories, receiving five firm awards, which honor the best law firms in each field, three deal awards, which recognize influential deals from the previous year, and an individual category award, which is presented to professionals who have shown exceptional performance.

The *ALB Korea Law Awards* ceremony, which celebrates its thirteenth anniversary this year, is an annual awards ceremony hosted by Asian Legal Business ("ALB"), an Asian legal media under Thomson Reuters, which recognizes outstanding law firms, deals, lawyers and in-house legal teams in each category through evaluation by a panel of experts in the fields of the respective awards.

The following is a list of our firm's wins this year.

Firm Award Categories – Sole Winner

- Korea Law Firm of the Year (thirteenth consecutive win)
- Banking and Financial Services Law Firm of the Year
- Intellectual Property Law Firm of the Year (Full-Service) (seventh consecutive win)
- Labour and Employment Law Firm of the Year
- Technology, Media and Telecommunications Law Firm of the Year (third consecutive win)

Deal Award Categories – Co-Winner

- Equity Market Deal of the Year: LG Chem, Ltd. Issuance of Exchangeable Bonds due 2028
- M&A Deal of the Year: Korean Air Lines Acquisition of Asiana Airlines and Sale of Asiana Airlines Cargo Business
- Project Finance Deal of the Year: SK Hyundai Georgia Battery Plant Financing

Individual Award Categories – Sole Winner

- Dealmaker of the Year: Heejun Choi

ALB Korea Law Awards 2025

Newsletter

A Quarterly Update of Korean IP Law & Policy

KIM & CHANG

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