Chapter IV.
Trademarks

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Trademarks

1. INTRODUCTION

Trademarks, certification marks, and other marks may be protected in Korea under the Trademark Act ("TMA"). Well-known marks can be protected under the Unfair Competition Prevention and Trade Secret Protection Act, even if they are not registered. Further, the international conventions to which Korea is a signatory – such as the Paris Convention for the Protection of Industrial Property, the Agreement on Trade-Related Aspects of Intellectual Property Rights, the Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks, the Trademark Law Treaty, the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks, and the Vienna Agreement Establishing an International Classification of the Figurative Elements of Marks – have the same legal effect as domestic laws.

Many procedural provisions of the Korean Civil Procedure Act have been applied to the TMA. In addition, the general provisions of the Korean Criminal Act apply to the provisions of TMA regarding the criminal sanction of trademark infringement, and the Criminal Procedure Act applies to the investigation, indictment, and Criminal Court hearing of such cases. Further, the Customs Act provides for the protection of trademarks at Korea’s national borders. As in other jurisdictions, the rights to a given trademark have their limits under the Fair Trade Act and the Act on Investigation of Unfair Trade Practices and Remedies against Injury of Domestic Industry. In addition, the Fair Trade Commission Guidelines establish standards for permitting parallel imports.

The TMA was enacted in 1949 (Code No. 71) and has since been amended numerous times to comply with the changes in the domestic and international industrial environments and the current trend in the protection of intellectual property. The latest amendment to the TMA came into force on October 24, 2019.

Korea has adopted a "registration," as opposed to a "use," system for the protection of trademarks. Under this system, a trademark right is normally recognized only when the mark is registered. Actual use of the mark is not a necessary condition for obtaining a trademark registration and an application can be filed on the basis of intent to use.
2. PROTECTABLE SUBJECT MATTER

Trademarks, collective marks, business emblems and certification marks can be protected under the TMA. The provisions applicable to trademarks explained in this chapter are also applicable to the other types of mark, except when stipulated otherwise.

2.1 Trademark

The TMA defines a trademark as any indication which is used to distinguish an entity's products/services from that of others, irrespective of its formation or way of expression, including sign, character, figure, sound, smell, 3D shape, hologram, motion and color.

2.2 Collective Mark

A collective mark is a mark that is intended to be used by an entity or by its members to identify the goods or services which they produce, manufacture, process, sell or offer.

2.3 Geographical Indication

A geographical indication is an indication which identifies goods as having been manufactured, produced or processed in a certain region where a given quality, reputation, or other characteristic of the goods is essentially attributable to that region.

2.4 Business Mark

A business mark designates a mark used by a person conducting a non-profit business for the purposes of identifying that person’s business.

2.5 Certification Mark

A certification mark is defined as a mark owned by a person who carries on business of certifying the characteristics of goods or services, such as quality, origin, method of production, etc. and used by business entities other than the owner for the purpose of certifying that their goods or services satisfy such characteristics.

As a certification mark is used to certify characteristics of the goods or services of others, it cannot be registered if the owner plans to use the mark for its own goods or services.
3. FILING REQUIREMENTS

3.1 Requirements for Filing Trademark Application

According to Article 36 of the TMA, the following documents and information are required for filing a trademark application in Korea:

(i) name, address, and nationality of the applicant;
(ii) a specimen of the trademark;
(iii) a statement of goods/services;
(iv) a power of attorney; and
(v) a claim of priority, if priority is being claimed.

3.2 Preparation of Documents

3.2.1 Trademark Specimen
At least one copy of the specimen in black and white or in color is required for filing a trademark application.

3.2.2 Statement of Goods/Services
The Korean Intellectual Property Office (“KIPO”) accepts broad descriptions designating goods/services in the same class, even if the broad descriptions may cover goods/services which are not regarded as being similar under KIPO’s current practice. Under the current guideline, for instance, a class heading "clothing" will be accepted, which can cover "clothing for exclusive use in sports" as well as "suits and coats" or "underwear," although "clothing for exclusive use in sports" is not regarded as being similar to general clothing items according to KIPO’s Goods/Services Similarity Code. However, all the goods/services covered by a broad description should fall into the same class. Thus, for instance, "chemical preparations," covering both chemical preparations for industrial purposes in Class 1 and chemical preparations for medical purposes in Class 5, would not be accepted.

NOTE: In order to rapidly and consistently evaluate the similarity of compared goods/services, KIPO has developed a "Goods/Services Similarity Code" system under which it has grouped similar goods/services under a series of codes. Goods and/or services which fall under a same Goods/Services Similarity Code will be considered similar to each other, even if the considered goods/services are classified under different International Classes. In turn, any compared goods/services which fall under the same International Class could be considered dissimilar to each other if classified under different Goods/Services Similarity Codes.
3.2.3 Power of Attorney
When prosecuting a trademark application, an executed power of attorney ("POA") from the applicant needs to be filed. Neither notarization nor legalization of the POA is required; a signature by an authorized representative of the applicant is sufficient. Also, one POA is sufficient for multiple applications, if all such filings are authorized in the POA.

Furthermore, general powers of attorney are acceptable with KIPO. A general POA allows the named applicant to authorize representation on all matters before KIPO for any number of cases as long as the stated applicant remains the same.

3.2.4 Priority Document
An applicant may claim convention priority, if the applicant files an application for the same mark and goods in Korea within six months of filing an application in a foreign country. The filing date of the application will then be construed as the date the application was filed in the foreign country, instead of the date it was actually filed in Korea.

To claim convention priority, the applicant must submit the filing particulars of the foreign application (including application numbers, filing dates, and countries) on which the priority claim is based, together with a certified copy of the foreign application. If necessary, a certified copy of the foreign application may be submitted to KIPO up to three months after the date the Korean application is filed. KIPO recognizes separate priority for each designated good. Thus, even if a designated good of a trademark application (claiming priority) fell outside the scope of the designated goods of the application upon which priority was based, the other designated goods (which were included in the application upon which priority was based) could receive the benefit of priority. Further, a single trademark application is allowed to claim multiple priorities.

3.3 Multiple-Class Applications
The TMA allows for the filing of a multi-class application. In other words, multiple classes of goods or services may be designated under a single application for a mark. Since a multi-class application is registered as a whole under a single registration number, it would provide the trademark owner with the convenience of management, provided that the trademark satisfies the requirements for registration.

However, disadvantages of a multi-class application include longer prosecution time compared to a single class application, due to the fact that a multi-class application must still undergo a substantive examination for each class. Further, a rejection of just one class will result in the rejection of the entire multi-class application.
3.4 Madrid Protocol Trademark Applications

Since April 10, 2003, it is possible to file international applications under the Madrid Protocol in Korea.

4. EXAMINATION AND PROSECUTION

4.1 Examination System

4.1.1 General Process
All trademark applications are subject to a substantive examination by KIPO before registrations or rejections are issued. A decision on an application for a trademark registration is normally issued in about six to eight months from the date the application is filed. If the examiner does not find any reason to reject the application, a decision is then rendered to publish the application for public inspection and opposition. If no opposition to the registration of the mark is raised within a period of two months, the mark is granted registration.

4.1.2. Expedited Examination
The examination period can be shortened to two to four months upon an applicant’s request of expedited examination, which is allowed (i) if the applicant is using or planning on using the mark in connection with all of the designated goods/services under the pending application (for goods/services that are similar to one another, proof is required for only one of these similar items), (ii) if a third party is using a mark identical or similar to the applied-for mark without any justifiable reason, or (iii) if a priority is claimed in another jurisdiction based on the application, etc.

A third party may also request an expedited examination of a trademark application, if he/she receives a warning letter regarding his/her use of an identical or similar mark to the applied-for mark.

Nonetheless, expedited examination cannot be requested for international applications under the Madrid Protocol.

4.2 Grounds for Refusing Registration of a Trademark

4.2.1 General Grounds Under the TMA
(i) generic name (Art. 33(1)(i));
(ii) a trademark conventionally used for the goods (Art. 33(1)(ii));
(iii) a mark which is merely descriptive (Art. 33(iii));
(iv) a trademark consisting only of a conspicuous geographical name or its abbreviation, or a map (Art. 33(1)(iv));
(v) a trademark consisting only of a common surname or appellation which is indicated in a manner that is generally used (Art. 33(i)(v));
(vi) a trademark consisting only of a simple and common mark (Art. 33(i)(vi)); and
(vii) other non-distinctive marks besides the above (Art. 33(1)(vii)).

According to Article 33(2) of the TMA, certain trademarks which fall under the above grounds may still be registered for the designated goods for which the mark has been used, if they are recognized by consumers due to their extensive use which began prior to the application for registration, i.e., if they have acquired a "secondary meaning."

4.2.2 Specific Grounds Under the TMA

(i) a trademark similar to an official sign or emblem of a state or international organization (Art. 34(1)(i));
(ii) a trademark falsely representing a relationship with states, races, ethnic groups, public organizations, religions, renowned deceased persons, or a trademark that is likely to libel or insult the above or subject them to unfavorable criticism (Art. 34(1)(ii));
(iii) a trademark identical or similar to a well-known mark that indicates a nonprofit business or a nonprofit public service of a state, a public organization or its agencies or public corporations (Art. 34(1)(iii));
(iv) a trademark that is likely to harm public order or morals (Art. 34(1)(iv));
(v) a trademark which incorporates a mark which is identical or similar to medals or honorary certificates awarded at exhibitions held by the government (Art. 34(1)(v));
(vi) a trademark consisting of the name, the appellation, the trade name, the portrait, the signature, the seal, the pen name, the professional name, or the pseudonym of a renowned person or an abbreviation thereof (Art. 34(1)(vi));
(vii) a trademark identical or similar to a senior registered mark to be used on goods which are identical or similar to those of the senior mark (Art. 34(1)(vii));
(viii) a trademark identical or similar to a senior registered collective geographical indication to be used on goods which are identical to those of the collective geographical indication (Art. 34(1)(viii));
(ix) a trademark identical or similar to a trademark which is well-known to consumers as indicating the goods of others, is to be used on goods which are identical or similar to those of the well-known trademark (Art. 34(1)(ix));
(x) a trademark identical or similar to a geographical indication which is well-known to consumers as indicating the goods from a certain region, to be used on goods which are identical to those of the geographical indication (Art. 34(1)(x));
(xi) a trademark that is likely to cause confusion with the goods or business of others which is conspicuously known to consumers, or that is likely to dilute the
distinctiveness and/or reputation of a famous mark (Art. 34(1)(xi));

(xii) a trademark that is likely to mislead consumers on the quality of the goods or is likely to deceive consumers (Art. 34(1)(xii));

(xiii) a trademark identical or similar to a mark that is known to Korean or foreign consumers as indicating the goods of others and which is filed with an unfair competitive purpose (Art. 34(1)(xiii));

(xiv) a trademark identical or similar to a geographical indication that is known to Korean or foreign consumers as indicating the goods of others and which is filed with an unfair competitive purpose (Art. 34(1)(xiv));

(xv) a trademark solely consisting of 3D shape, color, combination of colors, sound or scent, which are essential to the functions of the designated goods or the packaging thereof (Art. 34(1)(xv));

(xvi) a trademark designating wines, liquors, if it is composed entirely or in part of a geographical indication relating to the source of wines, liquors, and the geographical indication is located in a member country of the WTO (Art. 34(1)(xvi));

(xvii) a trademark identical or similar to a name of a strain registered under the Seed Industry Act to be used on goods which are identical or similar to the name of the strain (Art. 34(1)(xvii));

(xviii) a trademark identical or similar to a geographical indication of another party registered under the Agricultural and Fishery Products Quality Control Act, to be used on goods that would be recognized by consumers as being identical to goods that originate from the place indicated by the geographical indication (Art. 34(1)(xviii));

(xix) a trademark identical or similar to a geographical indication protected under a bilateral or multilateral free trade agreement with Korea, or a mark that is composed entirely or in part of such geographical indication, to be used on goods that would be recognized by consumers as being identical to goods that originate from the place indicated by the geographical indication (Art. 34(1)(xix));

(xx) a trademark identical or similar to a third party’s mark that is used or will be used in connection with identical or similar goods, where the applicant obtained knowledge of the mark from the original owner through an agreement, a transaction, employment, or other relationship (Art. 34(1)(xx)); and

(xxi) a trademark identical or similar to a third party’s mark that is registered in a member country of an international treaty, without authorization, filed by an entity who was in a contractual or business relationship with the third party, such as partnership or employment, or other relationship, in connection with identical or similar goods (Art. 34(1)(xxi)).
4.3 Examination by KIPO

4.3.1 Notice to Supplement
In case a trademark application fails to meet the formal requirements for filing (e.g., lack of necessary documents), KIPO will send a Notice to Supplement to the applicant, instructing the applicant to supplement the application within a specified time period - usually one month.

4.3.2 Notice of Preliminary Rejection
During the examination of a trademark application, if the examiner finds grounds to reject the application, the examiner first sends a notice of preliminary rejection to the applicant, which includes the specific proposed grounds for rejection. Thereafter, within two months, the applicant is required to respond to the notice of preliminary rejection by submitting a response brief, which includes arguments rebutting the examiner’s grounds for rejection and supporting the validity of registration. Failure to respond to the notice of preliminary rejection shall result in a compulsory final rejection of the application. Applicants who missed the response deadline may file a request to reopen the examination accompanied by their response within two months from the original deadline.

4.3.3 Notice of Final Rejection
After the examiner reviews the brief submitted in response to a notice of preliminary rejection, if it is determined that there are insufficient reasons to overcome the preliminary rejection, then the examiner sends the applicant a notice of final rejection. If the applicant is dissatisfied with the grounds for the final rejection, an administrative appeal against the rejection may be lodged with the IPTAB of KIPO within thirty days from the applicant’s receipt of the notice of final rejection.

4.4 Publication and Notice of Grant
If the examiner does not find a reason to reject the application, the application will be published for public inspection and opposition for two months. If there is no opposition to the registration of the mark during the publication period, then the registration will be granted. The applicant must pay a registration fee to KIPO within two months from receipt of the notice of grant. KIPO will issue a certificate of trademark registration a few days after the payment.

4.5 Opposition to a Trademark Application
Under the TMA, any party may oppose an application for registration of a mark with KIPO after its publication. In addition, while the application is pending before the examination
bureau (generally before publication), any party may submit information to KIPO explaining why the applied-for mark should not be granted registration.

**4.5.1 Information Brief**

An information brief may be filed any time before a final decision on a trademark application (i.e., to grant or reject a registration) has been made to provide information to the examiner in charge. If an information brief is filed with KIPO, the examiner in charge may review the information brief during the examination of the subject mark. At that time, if the examiner agrees with the arguments in the information brief, he/she may issue a preliminary rejection against the subject mark. However, the examiner is not obligated to consider the information brief as it is merely for reference.

The advantage of the information brief system is that it is a cost effective way to bring opposition-like arguments before the mark is published. The filing of such an information brief does not bar a later opposition action, if and when the trademark is published.

**4.5.2 Opposition**

To file an opposition, the opponent must supply, within a period of two months after the publication of the subject mark, grounds for opposition along with all the necessary evidence demonstrating the reasons why the opposed application should be rejected. However, when filing trademark oppositions in the absence of detailed reasons and evidence for the opposition, a short notice of opposition can be lodged within the two month period, so long as it is supplemented with such reasons and evidence within an additional thirty days from the expiration of such time limit. Generally, it takes about six to eight months for a decision on the opposition to issue.

Any decision in favor of the opposer will result in the issuance of a notice of final rejection of the application, in which event the applicant may request an administrative appeal trial at the IPTAB within thirty days from the receipt of the notice of final rejection resulting from the opposition decision. A decision in favor of the applicant will result in the examiner’s grant of the registration of the published trademark application in final form.

Even if the opposition is dismissed, the opponent cannot appeal the opposition decision. Instead, the opponent may file an invalidation action once the mark is registered upon the applicant’s payment of a registration fee.

**5. POST-GRANT PROCEDURES**

**5.1 Registration and Fees**

Absent any successful opposition to a trademark application, a notice of grant is issued.
Thereafter, in order to effectuate the trademark registration and obtain a registration date, the applicant must pay a ten-year registration fee in a lump sum, within two months from the receipt of the notice of grant. Trademark registration fees can be paid in two installments.

Thereafter, a certificate of registration is issued to the trademark registrant. The time limit to pay the registration fee can be further extended upon request, for a period of thirty days.

5.2 Trademark Rights and Limitations

Trademark owners can exclusively use a registered mark in connection with its designated goods/services. The term of protection for a trademark is ten years from the day of the registration date, which is renewable indefinitely as long as the prescribed fees are paid.

The effect or enforcement of a trademark right does not extend to the following:

(i) trademarks indicating, in accordance with customary practices, a person's own name, appellation or trade name, portrait, signature, seal, famous pseudonym, professional name or pen name, or a famous abbreviation thereof (however, this provision shall not apply where, after registration of the trademark, such mark has been used with the intention of violating the rules of fair competition);
(ii) trademarks indicating, in a common way, a generic name, the place of origin, the quality, the raw materials, the efficacy, the usage, the quantity, the shape (including shape of package), the price, the method or time of manufacturing, processing or use or the time of use of goods identical or similar to the designated goods of the registered trademark;
(iii) trademarks identical or similar to the three dimensional figure of a registered trademark bearing a non-distinctive three dimensional figure;
(iv) trademarks customarily used on the designated goods of the registered trademark or goods similar thereto, and marks consisting of famous geographical names or their abbreviations, or of a map; and
(v) trademarks solely consisting of a figure, color, combination of colors, sound, or scent that are essential to the functions of the designated goods of the registered trademark or the packaging thereof.

5.3 Renewal of Trademark Registration

To renew a trademark registration, the registrant must request a trademark renewal within the one year period preceding the expiration of the registration validity period. With
the payment of a late-fee penalty, however, the renewal could be requested up to six months after the expiration date of the registration. Trademark registrations are renewed without having to go through an examination process. Renewal fees can be paid in two installments.

5.4 Assignment

A trademark right, in principle, may be freely transferred. However, the TMA provides several limitations to the rights of the trademark owner when transferring his/her right. For example, business marks of not-for-profit entities cannot be transferred without transferring the business itself and collective marks can be transferred only in case of mergers.

In the event that the ownership of a trademark application or a trademark registration is to be wholly assigned to another party, the following documents are needed:

(i) a deed of Assignment, signed by the assignor;
(ii) a notarized Certificate of Nationality of the assignor;
(iii) a POA of assignor; and
(iv) a POA of assignee.

5.5 License

A trademark owner may grant an exclusive or non-exclusive license of his/her trademark. In case of an exclusive license, the TMA affords the following statutory rights:

(i) an exclusive licensee can grant sub-licenses to third parties; however, consent from the trademark owner is required;
(ii) an exclusive licensee can bring its own independent infringement action against third parties, without consent from the trademark owner; and
(iii) an exclusive licensee is entitled to the exclusive use of the licensed mark even against the trademark owner.

License recordation is not required under the TMA. However, once an exclusive or non-exclusive license is recorded with KIPO, the recorded licensee can claim the right to use the trademark against a new trademark owner or an exclusive licensee who obtained the trademark or exclusive license after the license was recorded.
5.6 Right to Use an Identical/Similar Mark to a Registered Mark Based on Prior Use

The TMA provides a prior user with the right to continuously use its mark without infringing the trademark rights of a registered mark, which is identical or similar to the prior user’s mark, if

(i) the prior user had been using its mark before the registered mark was applied for, without the bad-faith intent of committing an unfair competitive act; and
(ii) the prior user’s mark is recognized as being a source identifier of the user to Korean consumers as a consequence of such prior use in Korea.

Further, a party who uses its name, trade name, or any other personal identifiers as a trademark in accordance with customary practices, is able to continue to use the mark without infringing the trademark rights of a registered mark, if the above (i) criteria is met.

5.7 Trials

5.7.1 Trial Against Decision of Final Rejection
Any person dissatisfied with a decision to refuse the registration of a trademark or to refuse the supplementary registration of designated goods may request a trial within thirty days of the date of receiving a certified copy of the decision of rejection.

5.7.2 Trial Against a Decision to Reject an Amendment
Any person dissatisfied with a decision to reject an amendment may request a trial within thirty days of the date of receiving a certified copy of the decision.

5.7.3 Invalidation Trials
(a) Cause of Action
The cause of action for an invalidation action is substantially identical to the grounds for refusing the registration of a trademark. In addition, if the registered trademark falls under any of the subparagraphs of Article 33(1) of the TMA (see Section 4.2.1 supra), i.e., becomes non-distinctive, the trademark right can be invalidated from the time the trademark registration becomes non-distinctive.

(b) Statute of Limitations
An invalidation trial for the causes under Articles 34(1)(vi)-(x) and (xvi), and Article 35 (first-to-file rule) of the TMA cannot be brought after the lapse of five years from the date of trademark registration (Art. 122(1)).
5.7.4 Cancellation Trials

(a) Possible Causes of Action

(i) Non-Use

Non-use of a trademark for a period of three years constitutes grounds for a cancellation action (Art. 119(1)(iii)). Anyone can bring a cause of action against the holder and/or the licensee of a registered trademark, if such registered trademark has not been used by its holder nor by an exclusive or non-exclusive licensee during the three years immediately preceding the date of a cancellation trial and provided that there are justifiable reasons for the non-use (i.e., prohibition of importation by the Korean government).

(ii) Improper Use by Trademark Holder or Licensee

The trademark holder may not engage in intentionally misleading or deceiving regarding the use of its trademark (Art. 119(1)(i)). A use that causes consumer confusion regarding the quality or origin of the goods may be termed an "improper use." Improper use occurs when the holder of a trademark intentionally uses a similar trademark on the designated goods, or the trademark holder intentionally uses the trademark or a similar trademark on goods similar to the designated goods in a manner that is liable to mislead consumers on the quality of goods or cause confusion regarding the goods of another person.

An improper use of a trademark by either an exclusive or non-exclusive licensee of the trademark holder also constitutes grounds for a cancellation action, unless the holder of the trademark has exercised reasonable care in preventing such improper use by the exclusive or non-exclusive licensee in question. Unlike improper use by the trademark holder, improper use by a licensee may lead to cancellation even in cases where the registered mark is used on designated goods (Article 119(1)(ii)).

(iii) Consumer Confusion Caused by Other Types of Unfair Use

The TMA provides several other possible cases where the basis of a cancellation action is the consumer confusion caused by unfair use. For example, a cancellation action can be brought based on the consumer confusion caused by an amendment of articles of association for collective marks (Art. 119(1)(vii)\(\oplus\)), by a separate assignment of a similar mark (Art. 119(1)(\(\nu\))), by a third party’s use of a collective mark (Art. 119(1)(vii)\(\odot\)), by allowing a third party to use a certification mark in violation of the articles of association for certification mark (Art. 119(1)(ix)\(\odot\)), etc.

(iv) Violation of the Unfair Competition Prevention and Trade Secret Protection Act

The use of a registered mark by a registrant and/or licensee is prohibited if it
falls under Article 2(1)(x) of the Unfair Competition Prevention and Trade Secret Protection Act ("UCPA"), which prohibits any act of infringing another’s right to profit by using that mark, which the person produced through considerable effort and investment, without authorization for one’s own business through a method that contravenes fair trade practice or competition order (Art. 92(2)). Further, the right holder can file a cancellation action against the registered mark within five years from the registration date (Art. 119(1)(vi)).

(b) Statute of Limitations
Except for cancellations based on non-use, a separate assignment of a similar mark or a violation of UCPA, a cancellation trial based on the above causes of action cannot be brought more than three years after the date that the basis for the cancellation ceases to exist (Art. 122(2)).

5.7.5 Scope Confirmation Trials
A confirmation trial to determine the scope of a trademark right is an administrative action which is initially filed with the IPTAB within KIPO. The trial can be filed for the entire goods or a limited number of goods. A decision is made on whether or not the use of a certain mark on certain goods falls within the scope of a trademark registration (Art. 121).

This trial may be initiated at any time as long as there is merit to determine the issue, even after the trademark right has been extinguished.

A civil court hearing an infringement action is not legally bound by the trial decision on the scope of a trademark right. However, such decision may be presented to the court which is hearing an infringement action as a strong reference for the infringement action.

5.8 Appeal

Any party may request a re-trial against a trial decision that has become final, but only in certain cases, e.g., lack of representation, forged evidence, and false deposition, etc.

A trial decision rendered by the IPTAB can be appealed to the Patent Court, and if dismissed, the decision made by the Patent Court may be further appealed to the Supreme Court, but only when the appeal is based on the ground that the Patent Court decision was made in violation of a law.
6. ENFORCEMENT AND REMEDIES

6.1 Acts of Infringement

The act of using a trademark that is identical or similar to a third party's registered trademark on goods, which are identical or similar to the designated goods of the registered trademark, constitutes direct infringement.

Further, the following acts are also deemed to constitute infringement of a trademark right:

(i) the act of delivering, selling, forging, imitating, or possessing a trademark identical or similar to a registered trademark with the intent to use or to have others use the trademark;
(ii) the act of manufacturing, delivering, selling, or possessing instruments with the intent to forge or imitate, or to have others forge or imitate a registered trademark of a third party; and
(iii) the act of possessing goods, that are identical or similar to the designated goods of a third party’s registered trademark and indicate a mark identical or similar to the registered trademark, with the intent to deliver or sell the goods.

6.2 Warning Letters

If another party engages in acts that are interpreted as infringing a trademark right, the rightful owner of the trademark may send the infringing party a warning letter demanding the immediate cessation of the infringement.

The trademark owner may send a warning letter before the trademark is registered based on his/her application. In doing so, the trademark owner may demand compensation equivalent to the damages incurred by the use of the mark from the date of the warning to the date of the trademark registration, in addition to the damages incurred after the registration.

6.3 Civil Remedies

The TMA provides civil remedies in cases of trademark infringement through injunctive

1) For more details regarding enforcement of trademarks, please see Chapter VIII General System of IP-Related Enforcement and Litigation in Korea.
relief (both preliminary and permanent) and compensation for damages.

An infringement action may be initiated at a district court and any or all of the civil remedies may be sought in one action. As for actions seeking injunctive relief, there are two proceedings: one for a preliminary injunction and the other for a permanent injunction. While other civil remedies including damage compensation may not be sought together in an action for a preliminary injunction, they can be claimed in a main action together with permanent injunction.

In cases where the infringer sells infringing products, the amount of damages is calculated as the number of articles sold multiplied by the profit per unit of the articles that the trademark owner might have sold in the absence of the infringement. However, the compensation may not exceed an amount equal to: [the profit per unit] × [(the number of articles that the trademark right owner could have produced) − (the number of articles it actually sold)]. Further, if the trademark owner was unable to sell products for reasons other than infringement, the number of such products should be excluded from the damages calculation.

The infringer's profits earned as a result of the infringement is presumed to be the amount of damages suffered by the trademark owner. Alternatively, the amount of damages may be determined by calculating the amount of royalties which the trademark owner could have earned for granting a third party the right to use its trademark.

Instead of claiming actual damages, a trademark owner is able to claim damages for up to 50 million Korean Won (approximately USD 45,000). This statutory damages provision applies only in cases where the infringing party uses a mark that is identical with or substantially indistinguishable from (but not merely similar to) another party's registered mark used by the registrant in connection with goods that are identical with or substantially indistinguishable from (but not merely similar to) the goods designated under the registered mark.

### 6.4 Criminal Sanctions

A person who has infringed a trademark right or exclusive license may be criminally prosecuted and penalized, irrespective of the filing of a civil action. The maximum penalty assessable is an imprisonment for up to seven years or a fine of up to 100 million Korean Won (approximately USD 90,000).
7. BORDER PROTECTION OF TRADEMARKS (KCS)

Under the Customs Act and its implementing regulations ("Guidelines for Customs Clearance Procedures for Protection of Intellectual Property Rights"), the Korea Customs Service ("KCS") plays an important role in protecting intellectual property rights in Korea by curbing the flow of infringing goods at border areas.

7.1 Recordation of Trademark Rights with the KCS

Any party seeking trademark protection through the KCS must record its trademarks with the KCS by submitting an application and other required documents. Only trademarks registered with KIPO can be recorded with the KCS.

Recordation with the KCS becomes effective immediately after the date of the KCS' acceptance of the application. The valid period of the KCS recordation is ten years from the recordation date. However, if the KIPO registration of the subject mark expires prior to the above ten-year period, the KCS recordation will also expire with the mark's expiration at KIPO. Further, renewal of the KIPO registration of the subject mark will not automatically renew its KCS recordation. Rather, the KCS recordation must be separately renewed.

7.2 Ordinary Procedures for Handling Suspicious Imports Under the Customs Act

Once the KCS recordation becomes effective, the KCS begins monitoring the import and export of goods bearing the recorded mark. If the KCS finds any suspicious shipments, customs clearance is withheld for temporary suspension. The KCS then delivers notification of the temporary suspension to the importer and the owner of the recorded trademark. The period of the temporary suspension is seven working days from the date of receipt of the notification by the owner of the recorded trademark. During this period, the trademark owner can inspect the shipment in order to verify whether the shipment is genuine or counterfeit. If the trademark owner believes that the detained shipment involves goods which are counterfeit or otherwise infringing, a petition for further suspension can be filed with the KCS by depositing a security bond (equivalent to 120% of the taxable value of the shipment) together with evidence of infringement.

After the above petition and required bond is filed with the KCS, the KCS then reviews the petition to determine whether the shipment should be further suspended. If the KCS decides to continue the suspension, both the importer and trademark owner are then notified. The additional suspension period is ten working days from the date of receipt of the notification by the trademark owner. However, if the trademark owner presents
evidence of a related court or Korea Trading Commission proceeding within the above ten-day period, the KCS may continue to suspend the shipment until the court’s decision is rendered.

Further, during the above additional suspension period, the importer may challenge the suspension by submitting a petition for release, supporting evidence (of non-infringement), and a bond equal to 120% of the taxable value of the shipment. If such a petition is submitted by the importer, the trademark owner will also be notified and be allowed to submit additional evidence to support its claim. The KCS will then determine within fifteen days whether the importer’s petition should be granted. Notwithstanding the above, if a civil action is pending between the trademark owner and importer, the KCS generally will not release the disputed shipment until the court’s decision has been issued, absent any compelling reasons for the shipment’s urgent release (e.g., where the disputed goods are perishable).

7.3 Special Procedures for Handling Suspicious Imports Under the Customs Act

The Customs Act does not provide for penalties against infringers, other than the possible seizure of infringing goods. However, under the Customs Act, the KCS is given wide discretionary power to investigate suspected infringing shipments on its own initiative without a specific petition or application from the trademark owner. Thus, when the KCS determines that a shipment clearly infringes trademark rights, the KCS may transfer the subject case to its internal investigation department or the prosecutor’s office for further criminal proceedings. The infringing shipment would be suspended at the KCS until all criminal proceedings are concluded.

Notwithstanding the above, the KCS generally finds it difficult to unilaterally conclude whether infringement exists (particularly where the importer vigorously protests the seizure). Thus, the KCS generally does not take the initiative to transfer a case to its internal investigation department for criminal proceedings without persuasive evidence of infringement.

8. DOMAIN NAME DISPUTE RESOLUTION (IDRC)

The Internet Address Dispute Resolution Committee ("IDRC"), a sub-body of the Korea Internet & Security Agency ("KISA"), the local agency responsible for domain name registration, was established to provide an effective dispute resolution mechanism for Internet domain names whose ccTLD is "kr." The Internet Address Resource Act ("IARA") and the Enforcement Decree of the IARA (collectively, the "Acts") govern dispute resolution proceedings brought before the IDRC.
8.1 Requirements

In an IDRC proceeding for recovery of a disputed domain name, the complainant (e.g., the trademark owner) can prevail if one or more of the following requirements are met:

(i) The registrant of the domain name at issue infringes the complainant's trademark right under the TMA;
(ii) The registrant's use of the domain name at issue causes consumer confusion with the complainant's trademark or business, which is well-known in Korea;
(iii) The registrant's use of the domain name at issue dilutes the distinctiveness and/or reputation of the complainant's personal name, trademark or trade name, which is well-known in Korea; or
(iv) The registrant's registration, maintenance or use of the domain name at issue was done in bad faith, such as for the purpose of interfering with the complainant's registration of a domain name by selling or lending it to the complainant or a third party, etc.

However, if the registrant's domain name is identical to the registrant's personal name, trademark or trade name, or the registrant has rights or legitimate interests in respect to the registration or use of the domain name, the complainant's petition can be dismissed.

8.2 Procedural Overview

Under the Acts, a person whose rights have been infringed by the registration of a kr-level domain name can file a complaint with the IDRC seeking the de-registration or transfer of the domain name. However, since the KISA Guideline for Domain Name Registration requires that an entity seeking to obtain registration of a kr-level domain name should have a local presence, a complainant without a local presence can seek only the de-registration of the domain name in an IDRC proceeding.

Once the complaint is filed, the IDRC will serve the complaint on the respondent, i.e., the owner of the domain name. Absent good cause for an extension, the respondent must file a response within fourteen days of receipt of the complaint. An extension for filing a response may be granted for a maximum of fourteen days. If the respondent fails to file a response within the prescribed period, the IDRC can proceed to decide the case without such response. Further, the Acts stipulate that the registrant may not transfer or change the registrar of the domain name in question after a complaint has been filed.

Upon the timely filing of the response (or failure thereof within the prescribed time frame), the IDRC will establish a dispute resolution panel (with one or three members as selected by the parties). The panel must complete its examination and publish its decision.
within fourteen days of receiving the response. In principle, IDRC actions are based on the parties’ written submissions (e.g., complaint, response and related evidence) rather than in-person hearings.

8.3 Execution of the Decision

Once a decision is issued by the panel, the IDRC will serve a copy of the decision to both parties. The registrant who objects to the decision may file a petition for objection with a competent court (or arbitral tribunal agreed upon by the parties) and submit the proof of such objection to the IDRC within fifteen days after receipt of the decision. Otherwise, a copy of the IDRC decision will be sent to the relevant domain name registrar for enforcement.