



## Study Question

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### Bad faith trademarks

Responsible Reporter: Anne Marie VERSCHUUR

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#### I. Current law and practice

##### Bad faith - prior third party use or filing

**1** Does your Group's current law provide for an action against the application or registration for a trademark in a jurisdiction by a party (Party A), if that trademark or a similar sign is already used in one or more jurisdictions by another party ( Party B), but is not registered in the jurisdiction where Party A has filed the trademark?

*If yes, please answer questions 2) – 7). If no, please go to question 8).*

Yes

Please Explain

Yes, under the Korean trademark system, such an application or registration may be rejected or invalidated in case certain conditions are met. According to Article 34(1)(xiii) of the Korean Trademark Act, trademarks, which are identical or similar to a trademark recognized by consumers inside or outside the Republic of Korea as indicating the goods of a particular person, and which are used to obtain unjust profits or to inflict harm on a particular person and so on, cannot be registered.

**2** Is the application or registration as described under question 1) above denoted as "bad faith"? If not, what is it called?

Yes

Please Explain

Yes, it is denoted as "bad faith" under the Korean trademark practice. For instance, to obtain unjust enrichment or cause damage to an original user is considered to pursue bad faith.

**3** Are the following factors relevant for proving an application or registration as described under question 1) in your jurisdiction?

*Please tick or fill in all boxes as applicable to your jurisdiction. If you select "other", please describe further.*

- Party A knows, or should reasonably be aware, of use of an identical or similar sign abroad for identical goods or services

Please Explain

- Party A knows, or should reasonably be aware, of use of an identical or similar sign abroad for similar goods or services

Please Explain

- Party A knows, or should reasonably be aware, of use of an identical or similar sign in the same jurisdiction for identical goods or services

Please Explain

- Party A knows, or should reasonably be aware, of use of an identical or similar sign in the same jurisdiction for similar goods or services

Please Explain

- Party A intends to prevent Party B from continuing to use the earlier sign or to only allow such under certain conditions (e.g. a license)

Please Explain

- other

Please Explain

Party A intends to file the trademark to harm the famous mark of Party B by diluting its value and to acquire unjust benefit by taking advantage of its customer drawing power. (Case No. 2010Heo1718 by the Patent Court)

**4** Is any one or more of the above factors sufficient on their own, or will the assessment instead always take the specific circumstances of the case into account? If one or more of those factors are sufficient on their own, please identify those factors.

No

Please Explain

No, one or more of the above factors are not sufficient on their own. Party B should prove that its trademark was recognized as well-known by domestic or foreign consumers when Party A filed an application for its trademark which would be used for bad faith.

**5** Which of the following factors are relevant to establishing whether there was or should have been knowledge as described under question 3) above?

*Please tick or fill in all boxes as applicable to your jurisdiction. If you select "other", please describe further.*

- whether Party A operates in the same or a similar field of business as Party B

Please Explain

- whether the earlier sign is well known or enjoys a reputation

Please Explain

- whether there have been formal or informal dealings or contact between Party A and B (such as an agreement, written communication etc.)

Please Explain

**6** Is the degree of similarity between the signs relevant? Please explain why in either case.

Yes

Please Explain

Yes, the degree of similarity between the signs is relevant. Similarity between the signs is a crucial factor for an assessment of the bad faith, and thus the provision of the bad faith would not be applied in case the similarity between the signs is not accepted by the Examiners or Judges. In this regard, the more similar the signs are, the bigger the possibility of bad faith is.

**7** Is the degree of similarity between the goods/services relevant? Please explain why in either case.

Yes

Please Explain

Yes, the degree of similarity between the goods/services is one of factors for an assessment of the bad faith. However, it is not as relevant as one between the signs compared. In other words, there is further room for the applicability of bad faith provision even in the case where it is difficult to agree with similarity between the goods/services. For instance, the bad faith provision was applied even between "ice cream" and "clothes" (Case No. 2010Heo1718 by the Patent Court) and between magazine and stationery (Case No. 2006Heo11220 by the Patent Court).

*Case No. 2010Heo1718 by the Patent Court*

*The earlier mark "Häagen-Dazs" was well known not in Korea but in Japan as the source of origin for the goods of "ice cream" among consumers, when the subject mark "Häagendess in Korean characters" was filed in connection with "clothes, bags and leather shoes" on 14 June 2007. The earlier mark "Häagen-Dazs" is a very distinctive coined mark, and the subject mark is extremely similar to the earlier mark in terms of pronunciation. Even though the appearance of both marks are different and the designated goods have no relation to each other, the subject mark seems to be filed to harm the famous earlier mark by diluting its value and to acquire unjust benefit by taking advantage of its customer drawing power.*

## Repeat filings

**8** Can the filing of a trademark in your Group's jurisdiction by a trademark owner for a trademark identical or similar to a trademark it already owns in that jurisdiction be refused or cancelled on the ground that the previous trademark fails to meet applicable genuine use requirements?

*If yes, please answer questions 9) -11). If no, please go to question 12).*

Yes

Please Explain

Yes, in principle, it is possible to refuse or invalidate an application or registration based on lack of intent to use. <sup>[1]</sup> However, Korea is a country adopting first-to-file doctrine, and thus under trademark practice, the Examiner does not issue a provisional refusal based only on lack of intent to use. Further, a trademark registration may be cancelled based on non-use for three consecutive years from the date of registration in Korea.

Meanwhile, the same trademark cannot be registered in connection with the same designated goods/services according to the doctrine of "a single application for a single trademark" in Korea.

## Footnotes

- <sup>1</sup> According to Article 3 of the Korean Trademark Act, any person who uses or intends to use a trademark in the Republic of Korea may obtain registration of his/her trademark, and according to the Korean Trademark Examination Guideline, the Examiner may issue a provisional refusal when he/she has a doubt that the applicant files a trademark application for the purpose of prior occupation or interfering with a third party's trademark registration.

**9** Is the application or registration as described under question 8) above denoted as "bad faith"? If not, what is it called?

No

It is called...

No, it is not denoted as "bad faith," but a trademark without presence of intent to use.

**10** Which of the following factors are relevant when assessing whether a trademark as described under question 8) should be refused or cancelled?

*Please tick or fill in all boxes as applicable to your jurisdiction. If you select "other", please describe further.*

- absence or presence of intent to use

Please Explain

The examiner may issue such a provisional refusal based on absence of intent to use if the applicant files a trademark application in connection with a large number of goods/services. In this regard, the applicant can overcome the provisional refusal by submitting use evidences or a use plan of the mark applied for.

- the number of goods/services

Please Explain

The examiner may issue such a provisional refusal based on absence of intent to use if the applicant files a trademark application in connection with a large number of goods/services. In this regard, the applicant can overcome the provisional refusal by submitting use evidences or a use plan of the mark applied for.

- other

Please explain how the above factors influence the assessment.

Further, with regard to the purpose of prior occupation or interfering with a third party's trademark registration, the examiner may refer to the history of the applicant's present/past trademark applications and the scope of the applicant's current business.

**11** Are the answers to questions 8) -10) above different if the previous trademark is no longer in force? Please explain.

No, the answers to questions 8) -10) are not different even though the previous trademark is no longer in force. In this regard, to repeat filings of the same trademark is not directly considered as bad faith. Meanwhile, the same trademark registered in connection with the same designated goods/services cannot exist twice at the same time in Korea according to the doctrine of "a single application for a single trademark."

## Defensive marks

**12** Is it permissible under your Group's current law to file a trademark if the trademark owner does not have any intent to use that trademark for part or all of the goods/services claimed? If not, is there a timeframe (and if so, what) for such intention to use (e.g. must the intent be to start use immediately)?

*If yes, please answer question 13). If no, please go to question 14).*

Yes

Please Explain

Yes, the applicant does not have to prove any presence of intent to use when filing a trademark application. However, the applicant should respond to a possible provisional refusal when the examiner has a doubt on the intent to use for the trademark applied for.

**13** Is the application or registration as described under question 12) above denoted as "bad faith"? If not, what is it called?

No

It is called...

No, it is not denoted as "bad faith," but a trademark without presence of intent to use. In this regard, to file an application for so-called defensive marks is not directly considered as bad faith.

## Other

**14** Does any other conduct in respect of trademarks, as an independent ground for action, amount to bad faith <sup>16</sup> under your Group's current law? If so, what conduct and how is it denoted, ie as "bad faith" or something else?

<sup>16</sup> Including fraud within the context of this Study Question, as explained on p. 1 at paragraph 5.

Yes. According to Article 34(1)(xx) of the Korean Trademark Act, a trademark application shall be refused where the applicant obtained knowledge of the mark from the original owner through an agreement, transaction or other relationship. In applying this provision, it is not required to prove the degree of being well-known, differently from the bad faith provision of Article 34(1)(xiii) of the Korean Trademark Act.

## Type of proceedings

**15** In which proceedings can the grounds, insofar as they are available under your Group's current law, described in your response to questions 1), 8), 12) and 14) above be invoked in your jurisdiction?

*Please tick or fill in all boxes as applicable to your jurisdiction. If you select either of the last two boxes, please describe further.*

- ex officio by the trademark/IP office

Please Explain

The grounds described in the response to questions 1), 8) and 14) can be invoked at the stage of examination for application before the KIPO and at the stage of invalidation trial against registration before the KIPO Trial and Appeal Board, and the Patent Court.

- opposition proceedings (before the trademark/IP office)

Please Explain

The grounds described in the response to questions 1), 8) and 14) can be invoked at the stage of examination for application before the KIPO and at the stage of invalidation trial against registration before the KIPO Trial and Appeal Board, and the Patent Court.

- a cancellation action (before the trademark/IP office)

Please Explain

The grounds described in the response to questions 1), 8) and 14) can be invoked at the stage of examination for application before the KIPO and at the stage of invalidation trial against registration before the KIPO Trial and Appeal Board, and the Patent Court.

- court proceedings concerning a bad faith application

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Please Explain

The grounds described in the response to questions 1), 8) and 14) can be invoked at the stage of examination for application before the KIPO and at the stage of invalidation trial against registration before the KIPO Trial and Appeal Board, and the Patent Court.

- court proceedings concerning a bad faith registration

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Please Explain

The grounds described in the response to questions 1), 8) and 14) can be invoked at the stage of examination for application before the KIPO and at the stage of invalidation trial against registration before the KIPO Trial and Appeal Board, and the Patent Court.

## II. Policy considerations and proposals for improvements of your current law

6.a

**Could any of the following aspects of your Group's current law be improved?**

**The possibility of taking action against the application or registration of a trademark in a jurisdiction by a Party A, if that trademark or a similar sign is already used in one or more jurisdictions by a Party B, but is not registered in the jurisdiction where Party A has filed the trademark**

***Please tick or fill in only the applicable box. If you select "yes", please explain.***

No

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Please Explain

Under the Korean trademark system, a bad-faith trademark application or invalidation may be rejected or invalidated in case an earlier original trademark is proved to be recognized as indicating the goods of a particular person by consumers inside or outside the Republic of Korea.

6.b

**Could any of the following aspects of your Group's current law be improved?**

**The possibility of taking action against or refusing the re-filing of a trademark by a trademark owner as described above under question 8) above**

***Please tick or fill in only the applicable box. If you select "yes", please explain.***

No

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Please Explain

Re-filing of the same trademark itself is not considered as bad faith under the Korean trademark system. However, Party B may try to object to the new registration of the re-filed trademark by issuing an opposition at the same time, when Party B files a non-use cancellation action based on non-use against the earlier trademark registration of Party A. In that sense, it seems that it does not necessary to improve our trademark system against the re-filing of a trademark.

**6.c** Could any of the following aspects of your Group's current law be improved?

The possibility of taking action against or refusing the filing of a trademark by a trademark owner without an intent to use such for part or all of the goods/services claimed as described above under question 12) above.

*Please tick or fill in only the applicable box. If you select "yes", please explain.*

No

Please Explain

Korea is a country adopting first-to-file doctrine, and thus filing an application for so-called defensive marks is not directly considered as bad faith. Meanwhile, the same trademark cannot be registered in connection with the same designated goods/services according to the doctrine of "a single application for a single trademark" in Korea.

**6.c** Could any of the following aspects of your Group's current law be improved?

The possibility of taking action against other conduct as described in your response to question 14) above.

*Please tick or fill in only the applicable box. If you select "yes", please explain.*

No

Please Explain

According to Article 34(1)(xx) of the Korean Trademark Act, a trademark application shall be refused where the applicant obtained knowledge of the mark from the original owner through an agreement, transaction or other relationship. In applying this provision, it is not required to prove the degree of being well-known, differently from the bad faith provision of Article 34(1)(xiii) of the Korean Trademark Act.

**17** Are there any other policy considerations and/or proposals for improvement to your current law falling within the scope of this Study Question?

Under the Korean trademark system, the same trademark cannot be registered in connection with the same designated goods/services according to the principle of "a single application for a single trademark." On the other hand, in some of other jurisdictions including China, the same trademark can be registered in connection with the same designated goods/services, regardless of the existence of the earlier registration of the same trademark. We may discuss whether it would be helpful not to allow the registration of the same trademark in light of prevention of bad faith trademark. For example, the use of an original trademark should take a burden to cancel all the registrations of the same trademark in case more than one registrations for the same trademark are allowed.

## Proposals for harmonisation

**18** Does your Group consider that harmonisation in any or all of the four areas described in question 16) above is desirable?

*If yes, please respond to the following questions without regard to your Group's current law.*

*Even if no, please address the following questions to the extent your Group considers your Group's current law could be improved.*

Yes

Please Explain

Yes, we consider that harmonization is desirable with regard to a) area in question 16), namely the possibility of taking action against the

application or registration of a trademark.

On the other hand, with regard to b) and c) areas in question 16), it seems to be more difficult to reach harmonization since the countries adopting first-to-file doctrine would not want to refuse or invalidate an application or registration based only on b) and c) areas in question 16), differently from the countries adopting first-to-use doctrine.

**19 Does your Group consider there should be a harmonised definition of bad faith?**

***Please tick or fill in only the applicable box. If you have different reasons for selecting "no" or "yes" to those identified, please explain.***

No; identifying circumstances that can be relevant in assessing whether the types of conduct identified above under question 16) are allowed can be helpful, but a definition as such does not allow sufficient flexibility

Please Explain

No, we do not think so. However, we are not against adoption of a harmonized definition of bad faith in case the definition could cover all kinds of bad faith for trademarks.

### Bad faith - third party use or filing

**20 Should it be possible to take action against the application or registration for a trademark in a jurisdiction by a Party A, if that trademark or a similar sign is already used in one or more jurisdictions by a Party B, but is not registered in the jurisdiction where Party A has filed the trademark?**

***If yes, please answer questions 21) – 25). If no, please go to question 26).***

Yes

Please Explain

Yes. However, it should satisfy certain requirements like the level of being well-known for the trademark of an original user to be able to take an action against the application or registration for a bad faith trademark. Otherwise, it may detract first-to-file system from the principle. In other words, simplistically, it might not be necessary to file an overseas trademark application in case bad faith grounds are acceptable too easily in overseas jurisdictions.

**21 Which of the following should be relevant factors for proving an application or registration as described under question 20)?**

***Please tick or fill in all relevant boxes. If you select "other", please describe further.***

- Party A knows, or should reasonably be aware, of use of an identical or similar sign abroad for identical goods or services

Please Explain

- Party A knows, or should reasonably be aware, of use of an identical or similar sign abroad for similar goods or services

Please Explain

- Party A knows, or should reasonably be aware, of use of an identical or similar sign in the same jurisdiction for identical goods or services

Please Explain

- Party A knows, or should reasonably be aware, of use of an identical or similar sign in the same jurisdiction for similar goods or services

Please Explain

- Party A intends to prevent Party B from continuing to use the earlier sign or to only allow such under certain conditions (e.g. a license)

Please Explain



**22** Should any one or more of the above factors be sufficient on their own, or should the assessment instead always take the specific circumstances of the case into account? If one or more factors should be sufficient on their own, which should they be?

We believe that any one of the above factors should be sufficient on its own in case the status of being well-known in a domestic or foreign country is proven to certain extent.

**23** Which of the following should be relevant when establishing whether there was or should have been knowledge as described above under question 21) above?

*Please tick or fill in all relevant boxes. If you select "other", please describe further.*

- whether Party A operates in the same or a similar field of business as Party B

Please Explain

- whether the earlier sign is well known or enjoys a reputation

Please Explain

- whether there have been formal or informal dealings or contact between Party A and B (such as an agreement, written communication etc.)

Please Explain

**24** Should the degree of similarity between the signs be relevant? Please explain why or why not.

Yes

Please Explain

Yes, the degree of similarity between the signs should be relevant. Non-similarity between the signs means no confusion among consumers between the signs, and thus there would be neither harm to the legitimate user nor profits to the applicant.

**25** Should the degree of similarity between the goods/services be relevant? Please explain why or why not.

Yes

Please Explain

In principle, the degree of similarity between the goods/services should be one of factors for an assessment of bad faith. However, the degree of similarity between the goods/services may be relatively mitigated comparing that of similarity between the signs, in that in terms of goods dilution may occur in a broader scope rather than confusion.

## Repeat filings

**26** Should it be possible to refuse or cancel the filing by a trademark owner of a trademark identical or similar to a trademark it already owns in your Group's jurisdiction on the grounds that it fails to meet applicable genuine use requirements?

*If yes, please answer questions 27) – 28). If no, please go to question 29).*

No

Please Explain

No, we are not sure that it should be possible to refuse or cancel the application or registration of the same trademark re-filed. We concern that it may lead to restrict chance of choosing a trademark and lessen period for business preparation too much.

**27** Which of the following factors should be relevant when assessing whether a trademark as described under question 26) above should be refused or cancelled?

*Please tick or fill in all relevant boxes. If you select "other", please describe further.*

**28** Should the answers to questions 26) - 27) above be different if the previous trademark is no longer in force? if so, how?

## Defensive marks

**29** Should it be permissible to file a trademark if the trademark owner does not have any intent to use that trademark for part or all of the goods/services claimed? If not, should there be a timeframe (and if so, what) for such intention to use (e.g. must the intent be to start use immediately)? Please explain.

Yes, we believe that it should be permitted to file a trademark application regardless of being able to prove use or intent use of a trademark applied for, which corresponds to the trademark system based on the first-to-file doctrine.

## Other

**30** Should any other conduct in respect of trademarks, as an independent ground for action, amount to bad faith<sup>17</sup>? If yes, please explain.

<sup>17</sup> Including fraud within the context of this Study Question, as explained on p. 1 under paragraph 5 above.

Yes. The Korean trademark system allows the examiner to refuse a trademark application where the applicant obtained knowledge of the mark from the original owner through an agreement, transaction or other relationship [1]. We think that refusal or invalidation/cancellation based on bad faith may be allowed generously in case an agreement or transaction between the original owner and the applicant is proven through relevant evidences.

## Footnotes

1. [Article 34\(1\)\(xx\) of the Korean Trademark Act](#)

## Type of proceedings

**31** In which proceedings should it be possible to invoke the grounds described in your response to questions 20), 26), 29) and 30) above, insofar as they should be grounds for action in your view?

*Please tick or fill in all boxes. If you select either of the last two boxes, please describe further*

- ex officio by the trademark/IP office

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Please Explain

We think that it should be possible to invoke the grounds described in our response to questions 20), 26) and 30), except question 29) before the Court as well as the IP Office.

- opposition proceedings (before the trademark/IP office)

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Please Explain

We think that it should be possible to invoke the grounds described in our response to questions 20), 26) and 30), except question 29) before the Court as well as the IP Office.

- a cancellation action (before the trademark/IP office)

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Please Explain

We think that it should be possible to invoke the grounds described in our response to questions 20), 26) and 30), except question 29) before the Court as well as the IP Office.

- court proceedings concerning a bad faith application

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Please Explain

We think that it should be possible to invoke the grounds described in our response to questions 20), 26) and 30), except question 29) before the Court as well as the IP Office.

- court proceedings concerning a bad faith registration

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Please Explain

We think that it should be possible to invoke the grounds described in our response to questions 20), 26) and 30), except question 29) before the Court as well as the IP Office.

## Other

**32** Please comment on any additional issues concerning bad faith (or equivalent concepts) in the context of trademark law you consider relevant to this Study Question.

As we mentioned in question 17, there are some countries allowing new registrations of the same trademark for the same designated goods/services, and other countries not allowing any registrations of the same trademark in connection with the same designated goods/services for whole or partial according to the principle of "a single application for a single trademark." With regard to the registration of the same trademark for the same goods/services, we may try a harmonization, considering more effective prevention of bad faith trademarks.

**Please indicate which industry sector views are included in part "III. Proposals of harmonization" on this form:**

Please enter the name of your nominee for Study Committee representative for this Question (see Rule 12.8, Regulations of AIPPI). Study Committee leadership is chosen from amongst the nominated Study Committee representatives. Thus, persons not nominated as a Study Committee representative cannot be in the Study Committee leadership.

S. Yong Lee