



*News Letter – Autumn 2015*  
*Seoul, Korea*

► **Recent Amendment to Patent Act**

**1. Available to claim presumption of novelty even after patent filing (Article 30(3) of Patent Act)**

Under old laws, a claim for presumption of novelty had to be filed immediately upon filing; evidentiary materials and exhibits used to be filed within 30 days upon filing for a grant in order to have a claim for presumption of novelty. However, there was no way in which to cure a defect arising out of failure to have a claim for presumption of novelty upon filing a patent application. Therefore, for the purpose of better protecting the rights of applicants, the law has been revised to the extent that a claim for presumption of novelty can be filed within 3 months from the date of receiving the notice of decision to grant the patent from KIPO or within a period of time granted to amend patent specifications or detailed descriptions but before the registration of establishment of patent right. The present revision only applies to patent applications filed after July 29, 2015.

**2. Possible to file a Divisional application even after a decision of patent grant (Article 52(1)3 of Patent Act)**

Under old laws, the period of time allotted for filing a divisional application was limited to the extent that doing so was only possible within a period of time given for filing an appeal against a decision of rejection upon a patent application or within a period of time given for

amending a patent application. Thus, the law has been revised to the extent that filing a divisional application would be allowed within 3 months from the date of receiving the notice of a decision to grant the patent from KIPO but before the registration of establishment of patent right in order for the applicant to proactively respond to changes in the industry. The application of present revision at issue is limited to the patent applications for which a decision of grant or rejection was rendered after July 29, 2015.

### 3. Refund of fees for requesting examination before actual examination

For the purpose of protecting the interests of patent applicants, a new statutory provision is now in place for a return of the entire fee for request for examination because there is no administrative fee for withdrawal, abandonment, or withdrawal deemed of a patent application before an actual examination is conducted. In the context of a prior applicant for a national priority claim, a *withdrawal deemed* refers to a patent application deemed withdrawn after it is past one year and three months from the date of filing the application. In the context of applicants of withdrawal deemed or changed applications, the concept of *withdrawal deemed* is applicable to patent applications considered as those deemed withdrawn upon filing a change of application. The present statutory provision applies to withdrawn or abandoned patent applications for the first time since May 18, 2015.

**▶ VIAGRA’s three-dimensional mark in the form of a tablet is recognized as having sufficient room to have acquired distinctive on the basis of use, but it does not constitute an act of infringement upon trademark right or an act of unfair competition (Supreme Court Case No. 2013da84568 rendered on October 15, 2015)**

As soon as the patent right for VIAGRA product expired in Korea, the Defendant began to produce and sell pharmaceutical products to treat erectile dysfunction or impotence in men in

the shape of  (a tablet device with letters “HM 50”) and  (a tablet device with letters “HM 100”).



<Defendant's product>

<Plaintiff's products>

The Plaintiff Pfizer, Inc. brought an infringement suit against the Defendant's production on grounds of trademark infringement and unfair competition act on their well-known three-

dimensional trademark registration for the figuration of



(Reg. No. 40-608773; proceeding for invalidation against the above registration pending) and on grounds

of an act of unfair competition specifically involving conduct causing a likelihood of confusion as to the source of the goods bearing well known marks in Korea.

Under the ruling of a case No. 2013da84568 rendered by the Supreme Court of Korea on

October 15, 2015, Defendant's use of “” does not constitute an act of infringement against the trademark right of Plaintiff Pfizer, and such conduct does not likewise constitute an act of unfair competition. The summary of the ruling is stated below.

**※Decision of Supreme Court (Case No.2013da84568 rendered on October 15, 2015)**

**Finding no trademark infringement**

1. Plaintiff's exercise of the trademark right does not constitute an abuse of right

Plaintiff's three-dimensional trademark consists solely of a sign indicating, in a common way, the shape of the designated goods of pharmaceutical preparations. However, Plaintiff's

trademark has been used by Plaintiff for a long period of time, and as a result, it is sufficient to conclude that Plaintiff's trademark is prominently recognized as indicating his or her goods in the trade in Korea. In essence, Plaintiff's trademark would have to be recognized as being of secondary meaning. Therefore, Plaintiff's exercise of the trademark right on the basis of his or her registered mark does not constitute an abuse of right.

2. Both parties' marks are not confusingly similar

Plaintiff's registered mark “” and Defendant's use of “” are both of a rhombus shape in a three-dimensional fashion. Each and every edge of the two is of a round shape as well and is in blue. However, Plaintiff's registered mark “” is of a rhombus shape as a whole, but Defendant's use of “” is of a hexagon shape. Also, Defendant's products are packaged both inside and outside and the products display “PalPalTab” and “” repetitively.

In light of such fact, the products of Plaintiff's registered mark and those of Defendant's products have a commonality, but there is also a difference between the two. Furthermore, the products of Defendant are used in accordance with medical doctors' prescriptions and can be distinguished from those of Plaintiff in the manner in which they are packaged and in terms of the name displayed thereon. In essence, the products of Defendant cannot be regarded as being similar or identical to those of Plaintiff.

**Finding no act of unfair competition**

As mentioned above, although the products of both Plaintiff and Defendant are in co-existence in the trade, it would be difficult to state that there will be a likelihood of confusion among consumers as to the source of goods. And as such, Defendant's use of “” does not constitute an act of unfair competition.

For your reference, the rulings in the first and second instances are stated below.

**※Decision of First Instance Court (Seoul Central District Court Cast No.2012gahap87022 rendered on March 29, 2013)**

The first instance court dismissed the complaints by denying both the trademark infringement and the act of unfair competition.

The court has reasoned that the shape and color of the Defendant's products are not deemed as constituting the use of the trademark. Even if it were considered as being the use of the trademark, the trademark right of the Plaintiff would not extend to the Defendant's products as the shape and color of the products concerned are functional. The shape and color of the Defendant's products are not recognized as being a source indicator of goods in that the shape and color of the Plaintiff lack distinctive character and that the Complainant's products were exposed in combination with the word mark 'Pfizer.' No likelihood of confusion in the trade among pharmaceutical experts who are rarely confused on the pharmaceutical products, and thus it does not constitute an act of unfair competition.

**※Decision of Second Instance Court (Seoul High Court Case NO.2013na26816)**

Seoul High Court (the second instance court) overturned the lower court's decision by finding both the trademark infringement and the act of unfair competition.

**Finding trademark infringement**

The Seoul High court found that in light of the various factors below, the Defendant is deemed as having used the shape and color of products at issue as trademark not just as design.

i) The three-dimensional trademark of the Plaintiff has distinctive character by combining a diamond device and blue-based color. On the front and back of the Plaintiff's products appear 'PalPalTab' and its Korean phonetic equivalent as well as the Defendant's trademark



and on the inner packaging the Korean phonetic equivalent of ‘PalPalTab’ and its trade name are repeatedly printed. However, consumers take medicine tablet by tablet after removing the packaging and sometimes they are often traded in tablets without description. Furthermore, the front packaging is transparent, and thus the shape and color are easily visible.

ii) The Plaintiff’s three-dimensional trademark is prominently well known.

iii) The Defendant’s intention and use in bad faith: a) the defendant launched its products at issue as soon as the patent of the Plaintiff expired, b) notwithstanding the fact that the Defendant was open to choose many other shapes and colors than those of the Plaintiff, it adopted the shape and color similar to those of the Plaintiff, c) a person accustomed to a specific type of medicine would have a sense of adverse-feeling to a medicine of different shape and color, d) it is presumed for the Defendant to have intent to free-ride on the Plaintiff’s goodwill in terms of safety and effect of the products accumulated for a long period of time, e) the diamond-shape device with blue-based color of the Plaintiff’s mark is eye-capturing distinctive while the letters on the Defendant’s products such as the Korean phonetic equivalent of ‘PalPalTab’, ‘HM’, etc. are not seen well, and thus the shape and color of the Defendant’s products are considered as indicating the source of the products, and thus considered as the use of trademark notwithstanding the existence of the letters on the Defendant’s products.

### **Finding act of unfair competition**

The shape of the Plaintiff’s products has distinctive characters as designs, and its distinctive character is recognized as prominently indicative enough to link general consumers or traders to the Plaintiff’s products, and thus it is found that it has sufficient distinctiveness for consumers to recognize the Plaintiff’s products at a glance. We cannot say that there is no likelihood of confusion simply because the products are traded among pharmaceutical experts. In fact, the survey to which pharmacists responded shows actual confusion to the considerable degree. Although the case has yet to reach the Supreme Court’s judgment, the reasoning of the High Court for finding the trademark infringement and an act of unfair competition (act of causing confusion in relation to another person’s well known mark in Korea) is noteworthy and can be a guidance and test for the enforceability of three-

dimensional trademark registrations.

► **The more well-known a mark is the broader the scope of protection goes, and as such the POLEX and the ROLEX marks are similar to each other (Patent Court Case No. 2014heo7776 rendered on May 8, 2015)**

Prior to the above precedent, a majority of prior cases were such that the scope of protection in the context of well-known marks was narrower as opposed to the scope of protection in the context of other general marks. The “Rolex” trademark, previously registered, was not viewed similar to the “Rolens” filed to register subsequent to the former (Supreme Court Case No. 95hu1821 rendered on July 30, 1996). The “POLO” mark was likewise not viewed similar to the “POLA” mark that was previously registered since the former was known as belonging to a particular person (Supreme Court Case No. 96hu153 rendered on September 24, 1996), and in essence the scope of protection was viewed narrow for well-known marks. However, the case to be discussed below is opposite of such proclivity in the precedent and is thus noteworthy.

Subject mark	Prior registered mark (Cited mark)
 (Reg. No. 40-976345)	 (Reg. No. 40-112346)

Plaintiff claims that the registered mark “” (Reg. No. 40-976345) should be invalidated under Articles 7(1)10, 11, and 12 on grounds that not only is it similar to Plaintiff’s prior registered mark Reg. No. 40-112346 “ROLEX” but also their co-existence in the trade will bring about a likelihood of confusion suffered by general consumers.

1. The well-known status of the prior registered mark “”

A glance at the evidentiary materials filed by Plaintiff suggests that Plaintiff’s ROLEX mark

as registered is considered well known among Korean consumers in the trade, and also according to a survey conducted for finding out the extent to whether the “ROLEX” mark is recognized and well known in the trade by Plaintiff, the percentage of respondents who stated that they had heard of Plaintiff’s registered mark “ROLEX” came out to be 94.2%.

2. Comparison between the mark “**POLEX**” and the mark “**ROLEX**”

In terms of appearance, the two marks only differ on first alphabet letters “P” and “R”, but they are identical to each other when it comes to the remaining parts “OLEX”. As well, letters “P” and “R” as part of the two marks only differ on the presence or absence of a stroke in the lower right side. Even in terms of pronunciation, the subject mark is pronounced as [pol-leks] and the Plaintiff’s mark is pronounced as [rol-leks]. Thus, the two marks are highly likely read and heard identically to each other. Furthermore, a trademark awareness survey conducted by Plaintiff reveals that 38.2 % of the respondents stated that there is a likelihood of confusion suffered by consumers in the trade on account of the two marks’ similar pronunciation and that 27.9 % of them stated that there is a likelihood of confusion suffered by consumers in the trade on account of the two marks’ similar appearance. 55.2 % of the respondents stated that the use of the registered trademark at issue will affect Plaintiff’s prior registration for “ROLEX” negatively if the former is used on hand watches. In essence, it is reasonable to suggest that the use of the subject mark at issue will remind general consumers in the trade of either “ROLEX” or its related goods.

3. Conclusion

The registered trademark at issue constitutes a risk of misunderstanding or confusion as to the source of goods. In short, it should be invalidated under Article 7(1)10 of the Trademark Act.

**[BARUN IP & LAW NEWS]**

**Lead Partner Ho-Hyun Nahm won the 2015 Korea Invention Education Writing Award**

Lead Partner, Mr. Ho-Hyun Nahm at Barun IP & Law won the 2015 Korea Invention Education Writing Award from the Korea Academy of Invention Education thanks to his author “Challenging the 21st Century with Intellectual Property Rights”, “Change Your Life with Ideas” and “From Edison to iPod(co-authored)”. The Korea Academy of Invention Education purports to foster the promotion of invention education and develop persons of talent in the intellectual property industry.



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