

Standing Committee on the Law of Trademarks, Industrial Designs and Geographical Indications

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PROPOSAL BY THE DELEGATION OF THE REPUBLIC OF KOREA

Document prepared by the Secretariat

In a communication dated September 16, 2019, the Delegation of the Republic of Korea transmitted to the International Bureau of the World Intellectual Property Organization (WIPO) the proposal contained in the Annex to the present document.

[Annex follows]

PROPOSAL BY REPUBLIC OF KOREA PROTECTION OF WELL-KNOWN MARKS

BACKGROUND

Trends imitating the culture and brands of Korean companies are gaining momentum among Asian businesses, due to the increasing number of Korean companies that have risen to prominence in the global market and the impact of Hallyu (Korean Wave). Most notably, in some countries, the number of cases in which companies mimic or copy the well-known trademarks of Korean companies is rapidly increasing, causing the Korean companies that are attempting to enter into these markets to suffer a great deal.

However, because countries base their trademark systems on country-specific trademark laws, the case examinations, trials, and litigation practices differ from one country to another, and in some countries, public consensus on the proper utilization of trademarks is unresolved due to past unjust abuses of trademark rights, which have been socially rejected. This has led to well-known company trademarks prematurely being used in foreign countries, and it often means that the legitimate foreign trademark holders are left improperly protected by the countries' patent offices or courts of law.

Korea and its neighboring countries have different languages, not to mention different commercial and transactional practices. So it can be difficult to convince foreign countries' trademark examiners that a certain logo is a famous Korean trademark. It is particularly difficult to prove that a specific trademark is indeed a well-known trademark in Korea in an examination or trial. Therefore, there is an urgent need to determine measures to protect Korea's well-known trademarks overseas.

Korean companies' well-known trademarks continue to be exposed to the risks of infringement because international norms for the protection of famous trademarks, such as the Paris Convention for the Protection of Industrial Property, the WTO TRIPS Agreement, and WIPO Standards, fail to reach the level of protection necessary.

Therefore, we propose that a fact-finding survey be conducted regarding the current state of protections for well-known trademarks by the WIPO (World Intellectual Property Organization) and based on the results, determine solutions for enforcing more robust and stricter protections of trademarks worldwide.

EXISTING INTERNATIONAL TREATIES' REGULATIONS ON THE PROTECTION OF WELL-KNOWN TRADEMARKS

First, we should carefully review regulations related to the protections of well-known trademarks in existing international treaties to precisely determine the current protection level and come up with necessary improvements to be made.

A. The Paris Convention for the Protection of Industrial Property

The first international treaty for the protection of well-known trademarks is the Paris Convention for the Protection of Industrial Property, which came into force in 1884. In Article 6*bis* under the heading "Marks: Well-Known Marks," the convention stipulates the following:

Paris Convention Article 6*bis*

(1) The countries of the Union undertake, *ex officio* if their legislation so permits, or at the request of an interested party, to refuse or to cancel the registration, and to prohibit the use, of a trademark which constitutes a reproduction, an imitation, or a translation, liable to create confusion, of a mark considered by the competent authority of the country of registration or use to be well known in that country as being already the mark of a person entitled to the benefits of this Convention and used for identical or similar goods. These provisions shall also apply when the essential part of the mark constitutes a reproduction of any such well-known mark or an imitation liable to create confusion therewith.

(2) A period of at least five years from the date of registration shall be allowed for requesting the cancellation of such a mark. The countries of the Union may provide for a period within the prohibition of use must be requested.

(3) No time limit shall be fixed for requesting the cancellation or the prohibition of the use of marks registered or used in bad faith

B. The Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPs)

In Article 16-2 and 16-3, the WTO/TRIPs stipulate that Article 6*bis* of the Paris Convention shall apply trademark protection services in determining whether a well-known trademark is being used even for goods or services that are not similar to those for which a trademark is registered. Therefore, Article 6*bis* of the Paris Convention applies *mutatis mutandis* to service-industry marks.

TRIPs 16(2) Article 6*bis* of the Paris Convention (1967) shall apply, *mutatis mutandis*, to services. In determining whether a trademark is well-known, Members shall take account of the knowledge of the trademark in the relevant sector of the public, including knowledge in the Member concerned which has been obtained as a result of the promotion of the trademark.

TRIPs 16(3) Article 6*bis* of the Paris Convention (1967) shall apply, *mutatis mutandis*, to goods or services which are not similar to those in respect of which a trademark is registered, provided that use of that trademark in relation to those goods or services would indicate a connection between those goods or services and the owner of the registered trademark and provided that the interests of the owner of the registered trademark are likely to be damaged by such use.

Article 16-2 of the WTO/TRIPs also mentions how to determine whether a trademark is well-known, as the issue has been a constant source of trade disputes between countries due to a lack of clear regulations in the Paris Convention. Developing countries have argued that since the purpose of protecting well-known marks is to protect consumers and maintain order in distribution in their countries, so-called well-known marks must be famous in their own countries to deserve such an acknowledgement, whereas developed countries have insisted that due to globalization fueled by increasing international trade and expanding cross-country exchanges, marks known in other countries as a result of international advertising and promotion efforts should be considered well-known trademarks in those countries. Albeit somewhat equivocal, Article 16-2 of the WTO/TRIPs is interpreted to be closer to the position of the latter in the above paragraph, implying that a trademark can be protected as a well-known mark if it is known in a particular country, even if it has not been used there.

As mentioned above, Article 6*bis* of the Paris Convention applies to the identical or similar goods while the WTO/TRIPs applies regulations to goods or services which are not similar to the products for which a trademark is registered.

C. Joint Recommendation Concerning Provisions on the Protection of Well-Known Marks¹

Joint Recommendation Concerning Provisions on the Protection of Well-Known Marks adopted by the World Intellectual Property Organization stipulates that in determining whether a trademark is a well-known mark, competent authorities must consider any relevant circumstances regarding particular information concerning the following (Article 2.1.b):

1. the degree of knowledge or recognition of the mark in the relevant sector of the public;
2. the duration, extent and geographical area of any use of the mark;
3. the duration, extent and geographical area of any promotion of the mark, including advertising or publicity and the presentation, at fairs or exhibitions, of the goods and/or services to which the mark applies;
4. the duration and geographical area of any registrations, and/or any applications for registration, of the mark, to the extent that they reflect use or recognition of the mark;
5. the record of successful enforcement of rights in the mark, in particular, the extent to which the mark was recognized as well known by competent authorities;
6. the value associated with the mark.

The joint recommendation states that a Member State shall not require the following as a condition for determining whether a trademark is a well-known mark:

- (i) that the mark has been used or registered or that an application for registration has been filed;
- (ii) that the mark is well known in, or that the mark has been registered, or that an application for registration of the mark has been filed in any jurisdiction other than the Member State; or
- (iii) that the mark is well known by the public at large in the Member State (Article 2-3).

Article 2 of the joint recommendation clearly states that a well-known mark in a Member State can be protected as a well-known mark if it is well-known in another Member State and the fact is known to the relevant Member State even if the relevant well-known mark has not been used or registered or an application for registration of the mark has not been filed in the Member State concerned.

¹ Joint Recommendation Concerning Provisions on the Protection of Well-Known Marks adopted by the Assembly of the Paris Union for the Protection of Industrial Property and the General Assembly of the World Intellectual Property Organization (WIPO) at the Thirty-Fourth Series of Meetings of the Assemblies of the Member States of WIPO September 20 to 29, 1999

International Regulations on the Protection of Well-Known Marks

Description	Paris Convention Article 6bis (1884)	WTO/TRIPs* Article 16-2 & 3 (1995)	WIPO Joint Recommendation* (1999)
Product similarity	<ul style="list-style-type: none"> ● Similar goods 	<ul style="list-style-type: none"> ● Similar goods ● Non-similar goods: registration + relevance/infringement of interests 	<ul style="list-style-type: none"> ● Similar goods ● Non-similar goods: relevance/infringement of interests, etc.
Registration of well-known marks	<ul style="list-style-type: none"> ● Not required 	<ul style="list-style-type: none"> ● Similar goods: Not required ● Non-similar goods: Required 	<ul style="list-style-type: none"> ● Similar goods: Not required ● Non-similar goods: Not required
Scope of protection	<ul style="list-style-type: none"> ● Likelihood of Confusion 	<ul style="list-style-type: none"> ● Similar goods: Likelihood of Confusion ● Non-similar goods: relevance/infringement of interests 	<ul style="list-style-type: none"> ● Similar goods: ambiguous ● Non-similar goods <ul style="list-style-type: none"> ① Relevance/infringement of interests ② Damage to or dilution of distinctiveness ③ Abuse of distinctiveness
Scope of well-known marks	<ul style="list-style-type: none"> ● Well-known marks in the relevant country 	<ul style="list-style-type: none"> ● Marks known to the public in relevant fields 	<ul style="list-style-type: none"> ● Marks known to the public in relevant fields

* The registration of well-known marks is mandatory for the protection against non-similar goods through TRIPs.

** Joint Recommendation Concerning Provisions on the Protection of Well-Known Marks, which stipulates a relatively high level of protection, is not legally binding.

PROTECTION RULES IN REPUBLIC OF KOREA

Korea has had a relatively high level of protection for well-known marks through the Trademark Act and the Unfair Competition Prevention and Trade Secret Protection Act.

A. The Trademark Act

Article 34.1.13 of the Trademark Act: Trademarks, only well-known abroad, shall also be protected. Even non-similar goods using trademarks that are not registered shall be protected (on the condition that unlawful purposes can be proven).

Article 34.1.11 of the Trademark Act: Well-known marks in Korea shall be protected even when there is no possibility of being misled or confused.

B. The Unfair Competition Prevention and Trade Secret Protection Act

The Unfair Competition Prevention and Trade Secret Protection Act has a provision that prohibits the use of trademarks conflicting with others' well-known marks as follows: Of the above stipulations, Article 2.1.(a) and (b) are traditional stipulations that prohibit the use of

trademarks that might cause confusion with another person's well-known trademark, goods, or other source of business. Article 2.1.(c) is a stipulation that prohibits an act that might "dilute" the reputation of well-known marks as an act of unfair competition.

SPECIFIC PROPOSALS FOR ENHANCING THE PROTECTIONS OF WELL-KNOWN MARKS

- **(Objective)** To survey Member States' current practices in relation to the protection of internationally well-known marks and present ideas for improvement at the level of the WIPO, given the increasing number of well-known foreign marks that are being preemptively used in some countries.
- **(Scope)** A fact-finding survey on the protections received by overseas well-known marks in WIPO Member States and presentation of solution ideas at the level the WIPO (including the promotion of a separate international treaty)
- **Action Plan**
 - **(Phase 1)** Raise the issue at the 42nd WIPO SCT conference (in Nov. 2019).
 - **(Phase 2)** Implement a fact-finding survey at the WIPO level on Member States' protections of well-known foreign marks (in 2020).
 - **(Phase 3)** Discuss ideas for protecting well-known marks including a new international treaty (in 2021)
- **(Expected Outcomes)** Member States will be able to prevent their countries' well-known marks from being stolen overseas and reduce the losses of their companies seeking to make inroads into foreign countries because the WIPO will help protect and promote valuable brands and contribute to the promotion of its Member States' interests.

[End of Annex and of document]