

## Devising effective brand protection measures



By Susan Park

Despite its reputation as a global IP stronghold, South Korea still lags substantially behind its peers in the area of IP protection. According to a 2010 study released by IMD of Switzerland, South Korea ranked 32nd out of the 58 countries surveyed on the strength of its IP protection level. With the estimated value of counterfeit luxury goods seized since 2006 reported at KRW6.2 trillion (approx. USD5.5 billion), IP protection poses an especially daunting challenge for brand owners doing business in Korea. In this regard, devising effective internal brand protection measures should be an integral part of business planning for brand owners, and below is a brief introduction of the various stages of brand protection measures available under Korean law.

### Trademark registration

This is especially pertinent in the Korean context since it is a first-to-file jurisdiction rather than a first-to-use jurisdiction. Even after the registration of the trademarks, it is highly advised that the brand owner conduct periodic monitoring of the new applications being filed with the Korean Intellectual Property Office (KIPO) to be able to take appropriate and timely actions against the registration of potentially infringing marks.

Brand owners must also engage in vigilant monitoring of their intellectual property. In this regard, there have recently been several noteworthy efforts by the Korean government to strengthen the country's IP protection level, and the granting of a special judicial police authority to the KIPO is a case in point. Having been in effect since August 2010, such special authority empowers KIPO with a general investigative power to seize, investigate and seek arrest of counterfeit traders under the supervision of the Prosecutors' Office. In addition, the KIPO currently runs a 24/7 online counterfeits monitoring system, with the launch of a special online counterfeits task force empowered with the special judicial police authority expected later this year.

### Proactive monitoring

While these new governmental efforts – coupled with the long-

established role of the Korea Customs Service in respect of counterfeits – deserve a mention, such measures alone may not be effective substitutes for the brand owner's proactive monitoring of its intellectual property. This is especially true given that in a typical online counterfeits investigation, the KIPO, upon uncovering an infringement, usually contacts only the site operators without necessarily contacting the brand owner or its local representative. As such, the brand owner may never become aware of the extent of the infringement at issue. In fact, based on our experience, one of the most effective means of conducting brand monitoring is to form an internal task force team comprised of a competent private investigator and legal counsel and conduct periodic investigations.

### Infringements

Upon discovery of an infringement, a cease and desist letter is served on the infringer. In the event of continuing infringement, both criminal and civil preliminary injunctions may be sought against the infringer depending on the particular facts of the case (ie. whether the goods are counterfeit or genuine, evidence of misrepresentation as to the source of the goods or the infringer's relationship with the brand owner, etc.). In case of parallel imports, while the importation, sale and distribution of parallel goods are not per se illegal under Korean law, the brand owner will have a better chance of prevailing under a claim based on the Unfair Competitive Prevention and Trade Secret Protection Act, if it succeeds in proving intentional misrepresentation or misappropriation by the infringer with respect to the trademark at issue.

Domain name searches should also be made part of the IP monitoring, and mediation by the Korean Internet Address Dispute Resolution Committee is often the preferred forum in this regard.

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