

TRADEMRK & COPYRIGHT

Korean Courts May Review Invalidity in Trademark Infringement Actions

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The Supreme Court has recently issued a landmark decision that the registrant of a trademark with an obvious cause for invalidation may not exercise its rights based on the trademark, even though such registration has not been finally invalidated (Case No. 2010da103000 decided on October 18, 2012).

In its decision, the Supreme Court stated that it would harm the public interest and go against the purpose of the Trademark Act, established to preserve the goodwill of trademark users' businesses, if a registrant with an invalid trademark registration could continue to exercise exclusive trademark rights. The Court also pointed out that the principles of equity would be violated if such trademark registrant were to enjoy unjustified benefits, while the intended user of the trademark faced unfair losses. In addition, the Court specifically mentioned that even a court presiding over an infringement matter may review and decide the validity of a trademark registration since the registration itself is the basis of the abuse of rights defense.

This decision is significant because the Supreme Court overruled its own longstanding precedent that a court cannot deny the rights of a registered trademark until the mark is finally invalidated through separate invalidation proceedings. It is now possible for a defendant in a trademark infringement action to raise an invalidity defense if the trademark registration possesses clear invalidity grounds.