

EU-Korea Intellectual Property (IP) Dialogue

May 2018

The International Trademark Association (INTA) appreciates the opportunity to contribute to the EU-Korea IP Dialogue. INTA is encouraged by the EU-Korea IP Dialogue discussions, which hopefully will contribute to support the efforts of both parties in further improving the protection and enforcement of trademark and related rights.

We have noted that the EU-Korea Free Trade Agreement (FTA) does not always provide detailed provisions on some trademark, domain names and enforcement issues, but nevertheless hope that issues related to these aspects can be addressed jointly by the EU and Korea in the context of the FTA implementation.

We hope you will find these comments helpful in the context of the upcoming 6th meeting of the EU-Korea IP Dialogue.

A) TRADEMARK AND DOMAIN NAME ISSUES

Coexistence agreements: Coexistence agreements are not yet recognized in Korea, which constitutes a recurring inconvenience for applicants/registrants. We understand that this issue is being addressed by the Korean authorities already, and has been for some time. INTA strongly recommends that coexistence agreements be recognized under the Korean legal IP regime and allowed to be enforced.

Exhaustion of rights: INTA supports national (or regional) exhaustion of trademark rights in relation to the parallel importation of goods, in line with our [Board Resolution](#). We understand that while there are no provisions in the Korean IP laws regarding this, Korean courts have allowed parallel importations under the doctrine of international exhaustion. Pursuant to our Board Resolution, we recommend that national exhaustion of trademark rights in relation to the parallel importation of goods should be applied; and if international exhaustion is the doctrine followed and national exhaustion is not likely to be implemented, a “material differences” standard is adopted in order to exclude parallel imports that are materially different from those products authorized for sale by the trademark owner in the domestic market. More information about parallel imports and INTA’s position can be found [here](#).

Access to accurate WHOIS information: INTA supports the online public access to a reliable and accurate database of contact information of domain name registrants. There should be access to ownership information for every domain name in every Top-Level domain registry via a publicly accessible WHOIS database to ensure enforcement of rights, consumer protection and the functioning of the Internet.

B) ENFORCEMENT ISSUES

Free Trade Zones and Free Ports: Article 10.67 of the EU-Korea FTA provides *inter alia* that each party shall adopt procedures to enable right holders, suspecting that placement under free zone infringing an intellectual property may take place, to lodge a complaint with a competent administrative or judicial body.

INTA recommends that measures are taken to halt the transshipment and transit of counterfeit goods in Free Trade Zones and Free Ports. In particular,

- Prohibition of the admission to, processing in, and export from the free trade zones of counterfeit goods, irrespective of country of origin of such goods, country from which such goods arrive, or country of destination of such goods.
- Empowerment and training of customs authorities to exercise jurisdiction before the entry and after the exit of goods into a free trade zone, and to inspect goods in a free trade zone or a free port to ensure that no offense as to trafficking in counterfeit goods is being committed;
- Cooperation between national customs authorities and the special authorities of their free trade zones or free ports in order to provide the efficient enforcement of criminal and civil laws to prevent trafficking of counterfeit goods;
- Applicability and enforcement of criminal and civil laws to prevent trafficking of counterfeit goods in free trade-zones and free ports that currently allow free movement of goods of any nature without regard to origin, quality, purpose and destination of the goods; and without, or with only minimal, customs treatment of such goods in transit or transshipment.

Disrupting illegal business of vendors who sell counterfeit goods through rented or leased premises:

INTA recommends that through new laws, regulations, administrative guidelines and judicial determinations, as appropriate, it is ensured that

- Landlords are liable where, after being put on notice of counterfeiting or other trademark violations occurring on their premises, such landlords fail to proactively investigate the matter and, upon confirming the facts, do not take appropriate action to deter tenants engaged in such activities which may include terminating the leases of such tenants or otherwise removing them from the premises;
- Landlords of tenants that have previously been found liable for counterfeiting or other trademark violations are required to take reasonable steps to prevent or otherwise control future violations on their premises, e.g., through regular searches of leased premises/stalls, the adoption of new lease contracts explicitly banning dealings in offending goods, and the imposition of bans on tenant dealings in particular brands
- The conditions under which a landlord may be held criminally and civilly liable under the theories of contributory liability, aiding and abetting and vicarious liability are clarified;
- The income derived by landlords who knowingly rent or lease premises to tenants that deal in counterfeit goods from such leased premises is treated as proceeds of crime (i.e. money laundering);
- Those who rent their premises/property to others, whether as landlords or licensors, so that those tenants/licensees may sell goods to the public, are required to obtain from their

tenants/licensees and retain records as to their identities and addresses, including vehicle identification if vehicles are brought onto the premises, with failure to do the same leading to possible criminal sanctions and/or financial penalties.

About INTA

The International Trademark Association (INTA) is a global association of trademark owners and professionals dedicated to supporting trademarks and related intellectual property in order to protect consumers and to promote fair and effective commerce.

INTA's members are more than 7200 organizations from 191 countries. INTA members collectively contribute almost US \$12 trillion / €8.8 trillion / ¥73 trillion to global GDP annually. For comparison, the 2013 annual GDP of the top three markets was \$9.2 trillion (China), \$17.9 trillion (European Union) and \$16.7 trillion (United States). The Association's member organizations represent some 30,000 trademark professionals and include brand owners from major corporations as well as small- and medium-sized enterprises, law firms and nonprofits. There are also government agency members as well as individual professor and student members. INTA has 1,410 member organizations in the European Union and 69 members in Korea.

INTA undertakes advocacy work throughout the world to advance trademarks and related rights, and offers educational programs and informational and legal resources of global interest. Headquartered in New York City, INTA also has offices in Brussels, Shanghai, Singapore, Santiago de Chile and Washington D.C. and representatives in Geneva and New Delhi.

Further information about our Association can be found at www.inta.org.