

**PATENT COURT
THE THIRD DEPARTMENT
DECISION**

Case No. 2014Heo2344 Final Rejection(Trademark)

Plaintiff: CeramTec GmbH
Counsel for the Plaintiff: FirstLaw P.C.
Jingil JEONG, Attorney-at-law

Defendant: Commissioner of the Korean Intellectual Property Office
("KIPO")
KIPO Litigator: Inwook JANG

Closure of Hearing: August 22, 2014

Date of Decision: September 19, 2014

Order

1. The decision of the Intellectual Property Tribunal ("IPT") issued on March 3, 2014 in Case No. 2013Won4945 shall be cancelled.
2. The trial costs shall be borne by the Defendant.

Tenor of Claim

It is the same as the order.

Reasoning

1. Background facts

A. The applied-for trademark at issue (“Subject Mark”)

1) Int’l Reg. No. 1113627; Int’l Reg. Date: January 18, 2012




2) Composition:  (3D mark)



3) Designated Goods: Implants for osteosynthesis, orthoses, endoprotheses and organ substitutions, anchors for endoprotheses, and anchors for dental protheses, articular surface replacement, bone spacers, hip joint balls, acetabular shell, acetabular fossa and knee joint components under Goods Classification Class 10

B. Procedural history of the IPT decision

1) The KIPO examiner rendered a decision on May 31, 2013 ruling that the Subject Mark filed by the Plaintiff cannot be registered as it falls under Article 6(1)(iii) of the Trademark Act (“TMA”) on the grounds that this 3D mark comprising of 4 pink hollow semi-spheres as a whole is viewed as representing a shape or pattern of its designated goods that can be ordinarily employed in the relevant industry, even though some words are inscribed on the surfaces of the semi-spheres, being a mark expressing the shape of its designated goods in an ordinary manner. Objecting to this decision, the Plaintiff filed an appeal with the IPT.


2) Under the case No. 2013 Won 4945, the IPT examined the appeal and rendered a decision on March 3, 2014 dismissing the Plaintiff's appeal on the ground that the Subject Mark falls under Article 6(1)(iii) of the TMA. The IPT reasoned that the consumers of the designated goods would intuitively perceive the 3D shape as a hip joint ball, meaning that the Subject Mark expresses the shape of its designated goods in an ordinary manner; the color added to the dimensional shape of the Subject Mark was used solely to conjure a luxurious impression; and even though the word portion inscribed on the 3D mark () is distinctive, it is not to be considered in judging the distinctiveness of the 3D mark.

[Evidence: Undisputed, Plaintiff's Exhibit Nos. 1 to 4, 15 and overall pleadings]


2. Summary of the Grounds for Appeal and Parties' Arguments

A. Summary of the Grounds for Appeal and Plaintiff's arguments

1) Article 6(1)(iii) of the TMA determines the distinctiveness of a mark upon consideration of the mark as a whole and provides that any trademark consisting solely of a mark indicating the shape of its designated goods in a common way is non-distinctive. Distinctiveness is recognized if a mark does not solely indicate the shape of the designated goods in an ordinary manner but is combined with any other distinctive element. Judging the distinctiveness of a mark to the exclusion of a distinctive word portion goes against the provision referred to above.

2) The Subject Mark is a combination of a dimensional shape, unique pink color and distinctive word portion (). The unique pink

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color of the Subject Mark is distinguished from the others that use white or gray colors that are common for medical components for the human body, in terms of shape, or that are made of metal or ceramic, in terms of texture. If a hip joint ball having the same shape as the Subject Mark exists, consumers would easily recognize the source of the ball due to its distinguished shape, color and texture. In addition, upon review of the mark as a whole, the word portion of the Subject Mark () is clearly perceived and its distinctiveness is recognized as it has obtained registration from the KIPO.

3) The KIPO had originally established an examination standard under which the distinctiveness of a 3D mark should be judged upon review of the mark as a whole, but later changed the standard to the effect that the distinctiveness of a 3D mark should be judged based on the shape of the mark. “The revised standard took effect from March 15, 2012, which is after the international registration date of the Subject Mark.” However, the revised standard contravenes Article 6(1)(iii) of the TMA, which provides that “any trademark consisting solely of a mark indicating the shape of its designated goods in a common way” is non-distinctive. Considering that the KIPO’s examination standard is prepared for the purpose of the examiner’s convenience during the examination process, it is clear that such standard cannot be applied preferentially over the statutory law. Moreover, it is unreasonable to impose restraints on the registration process of an international trademark pursuant to the mere internal examination standard adopted by the KIPO after the international registration date.

4) Article 2(1)(i)(a) of the TMA defines the term “trademark” to mean any device, word, figure, three-dimensional shape or the combination thereof or the combination of them and colors. A combination of a dimensional shape and a device or word fits the definition of a trademark under the TMA. A 3D mark does not necessarily have to be

a trademark consisting of a dimensional shape alone. A mark combining a dimensional shape with a word should also surely be granted trademark registration. The KIPO requires that a trademark application for a color mark should be classified into two groups, which are “marks solely consisting of color(s)” and “marks combined with color(s),” but in case of a dimensional mark, the KIPO does not require such classification for the purpose of an application, so the applicants inevitably have to simply indicate “dimensional marks” on their application forms. For such reason, the Subject Mark was also filed simply as a “dimensional mark,” and thus, it is unreasonable to judge the distinctiveness of the Subject Mark solely based on the dimensional shape without considering the other components of the Subject Mark.

5) In the case of a mark combining a dimensional shape and a word, Article 52(1) of the TMA protects the mark as a whole, but does not protect the dimensional shape itself. If the dimensional shape itself is non-distinctive but a registration has been granted as a result of combining the same with a distinctive word, a person opposing the registration with respect to the scope of protection may argue that the dimensional shape itself is not a valid right or argue based on the limitation of effectiveness under Article 51(1)(ii) and (ii)bis of the TMA. There is no reason to refuse granting a registration to a mark combining a non-distinctive dimensional shape with a distinctive word.


6) Moreover, from the perspective of the public interest, the Subject Mark is not deemed to be a mark exclusive ownership of which by a specific party is unfair.

7) Therefore, the Subject Mark is distinctive as a whole, and thus, does not constitute a descriptive mark under Article 6(1)(iii) of the TMA. The IPT decision reaching the opposite conclusion is unjust and

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should be revoked.

B. Defendant's arguments

1) Article 8 of the trademark examination standard provides that the distinctiveness of a 3D mark, or whether the appearance of the relevant goods or packaging embodies a general shape of the goods, should be judged "solely by its dimensional shape." If the Subject Mark is used for its designated goods, "hip joint balls," its dimensional shape would be perceived as a shape embodying a hip joint ball or hip joint liner, meaning that the Subject Mark lacks distinctiveness as it falls under a mark expressing the shape of its designated goods in an ordinary manner. In addition, even considering the color and the word of the Subject Mark, the pink color of the dimensional shape is viewed only as one of the colors used for a hip joint ball to conjure a luxurious impression to consumers. The word portion (

2) Deeming a mark combining a non-distinctive dimensional shape with a distinctive word or device as satisfying the distinctiveness requirement, and accordingly, granting a 3D mark registration for the mark does not correspond to the legislative intent contemplated at the time of adopting the 3D mark system, which is to protect dimensional marks functioning as a source identifier. If non-distinctive dimensional shapes are granted registrations as a valid trademark, it is expected that disputes will arise as to the validity of the registrations. Consumers are likely to be misled or confused into believing that a non-distinctive dimensional shape has exclusive validity. Some trademark owners are likely to exercise their rights based on non-distinctive dimensional shapes, which goes against the public interest.

3) Article 7(1)(xiii) of the TMA provides that “any trademark consisting solely of three-dimensional shapes, colors, sounds, odors, or the combination of colors, which is essential to secure the functions of goods whose trademark is to be registered or of the packaging thereof” cannot be registered in any case. This suggests the “functionality of trademarks,” meaning that a mark cannot be registered if the shape thereof is solely attributable to the inherent nature of the goods. In addition, marks can be classified into two groups, which are typical marks and non-typical marks. The distinctiveness of non-typical marks is acknowledged only when the mark itself satisfies the distinctiveness requirement or acquires distinctiveness through use, so even if a dimensional mark is combined with a word, if the dimensional shape itself lacks distinctiveness or fails to acquire distinctiveness through use, consumers would only recognize the word portion as not a source identifier but a function of the goods. In addition, if a dimensional mark is perceived as a source identifier of goods solely due to its distinctive word portion, it should be understood as a mark that functions as a word mark irrespective of its dimensional shape or pattern, so such a mark cannot be viewed as a dimensional mark; otherwise, it goes against the intent of the 3D mark system.


4) Article 51 of the TMA provides that no effect of trademark rights shall be extended to a dimensional mark lacking distinctiveness, even though the mark obtained a 3D registration. The purpose of this provision is, by excluding any dimensional mark from being registered if its shape embodies the essential technical working of the goods, to prevent such mark from restricting the competitors’ freedom to supply their goods applying the same function or employ technical means to apply such function to their goods. Even if a non-distinctive dimensional shape is combined with a distinctive word, the effectiveness of a trademark right is limited insofar as the dimensional shape lacks distinctiveness. Therefore, in light of the provision above, the distinctiveness of a dimensional mark should be judged by its dimensional shape itself.

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3. Whether the Subject Mark falls under Article 6(1)(iii) of the TMA

A. Composition of the Subject Mark



The Subject Mark “” is a 3D mark of a hollow semi-sphere combined with light and dark pink colors and the word **BIOLOX** *dent*.”

B. Background leading to the adoption of 3D Marks and applicable TMA provisions

1) Background leading to the adoption of 3D Marks

In the past, the TMA had no provisions concerning 3D marks and did not permit the granting of registration for any 3D marks. However, in order to actively keep up with the international trend allowing the registration of 3D marks and expand the applicants’ scope of choices for trademarks, the TMA was partially amended by Law No. 5355 dated August 22, 1997 to allow the registration of marks consisting of dimensional shapes.¹⁾

1) <http://www.law.go.kr>. Please refer to the reason for partial amendment to the Trademark Act by Law No. 5355 dated August 22, 1997.

2) Applicable TMA provisions

a) Article 2 (Definitions)

(1) The terms used in this Act shall be defined as follows:

1. The term “trademark” means any of the following items (hereinafter, referred to as “mark”) that is used by a person who produces, processes or sells goods for business purposes, in order to distinguish goods related to his/her business from those of another person:

(a) Any device, word, figure, three-dimensional shape or the combination thereof or the combination of them and colors;

b) Article 6 (Requirements for Trademark Registration)

(1) Trademark registration may be granted, except for a trademark falling under any of the following subparagraphs:

3. Any trademark consisting solely of a mark indicating in a common way the origin, quality, raw materials, efficacy, use, quantity, shape (including shapes of packages), price, production method, processing method, using method or time of the goods;

c) Article 7 (Unregistrable Trademark)

(1) Notwithstanding Article 6, no trademark falling under any of the following subparagraphs shall be registered:

13. Any trademark consisting solely of three-dimensional shapes, colors, sounds, odors, or the combination of colors, which is essential (in cases of service business, referring to cases in which such constituents are essential to the use and purpose of the service business) to secure the function of goods whose trademark is to be registered or of the packaging thereof;

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d) Article 9 (Application for Trademark Registration)

(2) Where a trademark of which an applicant intends to obtain a registration is composed of three-dimensional shapes under Article 2 (1) 1 (a) or marks under Article 2 (1) 1 (b), the purpose and explanation therefor (excluding explanation in cases of three-dimensional shapes), in addition to matters falling under each subparagraph of paragraph (1), shall be entered in the application form, as prescribed by Ordinance of the Ministry of Trade, Industry and Energy.

e) Article 51 (Scope of Ineffectiveness of Trademark Rights)

- (1) No effect of trademark rights (excluding geographical collective mark rights) shall be extended to a trademark which falls under any of the following subparagraphs:
 2. Any trademark indicating in the normal denomination, place of origin, quality, raw materials, efficacy, use, quantity, shape (including shapes of wrappers), price or producing, processing and using methods and time of goods identical or similar to the designated goods of the registered trademark in a common way;
 - 2-2. In cases of trademarks comprised of three-dimensional shapes provided in Article 9 (2) and where it is impossible to recognize by the three-dimensional shape whose business the goods are related to, any trademark comprised of the shapes identical or similar to the three-dimensional shape of the registered trademark that is used for the goods identical or similar to the designated goods of the registered trademark;

f) Article 52 (Scope of Protection of Registered Trademarks, etc.)

(1) The scope of protection of registered trademarks shall be determined by a trademark specified in the application form for trademark registration (referring to visual expression in cases of a trademark falling under Article 2 (1) 1 (c)).

C. Criteria for judging the distinctiveness of a mark combining a dimensional shape and a word

a) Article 2(1)(i)(a) of the TMA defines the term “trademark” to mean “any device, word, figure, three-dimensional shape or the combination thereof or the combination of them and colors,” recognizing that not only a mark of a dimensional shape but also a mark combining a dimensional shape with a device, word or figure constitutes a trademark.

b) Article 6(1)(iii) of the TMA provides that any trademark consisting solely of a mark indicating the shape of its designated goods in a common way cannot be registered. Article 7(1)(xiii) of the TMA provides that any trademark consisting solely of three-dimensional shapes, which is essential to secure the function of goods or the packaging thereof, cannot be registered. However, the provision above does not prohibit the registration of a “mark indicating the shape of its designated goods in a common way” or a “trademark consisting solely of three-dimensional shapes, which is essential to secure the function of goods or the packaging thereof” to the extent that it is combined with another distinctive element. In addition, the TMA has no provision prescribing the distinctiveness of a mark combining a dimensional shape and any device, word or figure should be judged solely by the dimensional shape alone. Further, there is no legal basis requiring us to ignore any combined device, word and figure and judge the distinctiveness of a mark entirely by the dimensional shape solely on the ground that the mark incorporates a dimensional shape.

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c) Article 6(1) of the TMA prescribes that a mark can be registered if it does not fall under any of the items in the same provision that elaborates the types of non-distinctive marks. Article 7(1) of the TMA specifies the reasons for which a mark cannot obtain registration. Unless falling under any of the prescribed restricted registrations, a trademark registration should not be rejected and the applicant's right to choose his/her mark freely should be honored. Even if it is a mark consisting of a combination of a 3D shape with a device, word, etc., the above provisions still apply.

d) The scope of protection granted for a registered trademark is determined depending on the description on the application, and accordingly, the scope of protection of a mark combining a dimensional shape with a device or word is determined based on the mark as a whole, not on its dimensional shape alone.

e) The application for the Subject Mark indicates that the Subject Mark is a "3D mark." However, in the trademark application process, the KIPO does not distinguish marks combining a dimensional shape with a device or word from those solely consisting of a dimensional shape, simply referring to them collectively as "dimensional marks," so applicants have to file an application for a mark combining a dimensional shape with a device or word merely as a "dimensional mark." Therefore, the applicant should not be deemed as having limited its filed mark to only a dimensional mark solely based on the ground that the application form indicates a dimensional mark.

f) In the case of a mark combining a dimensional shape with a device or word, if the dimensional shape lacks distinctiveness but the word is distinctive, the non-distinctive dimensional shape cannot function as a source identifier, and thus, there is no likelihood of confusion arising with respect to the goods having a similar dimensional shape. It appears that the consumers can easily recognize whose goods the mark

identifies by the distinctive word.

In addition, granting trademark registrations as above is not viewed as going against the legislative intent of the 3D mark system which aims to actively keep up with the international trend allowing registrations of 3D marks and expand the applicants' scope of choices for trademarks.

Moreover, Article 51(1) of the TMA provides that if a registered trademark consisting of a dimensional shape lacks distinctiveness and a person uses a mark having the same or similar shape thereto, the effect of the trademark right should not be extended to the used mark, placing a limitation on the trademark owner's unfair exercise of his/her injunction claim against the user of the mark. Accordingly, permitting a trademark registration as above is not viewed as going against the public interest or the legislative intent of the 3D mark system.

g) Reference material for interpretation No. 11 of Article 8 of the KIPO trademark examination standard provides that the distinctiveness of a 3D mark, or whether the appearance of the relevant goods or packaging embodies a general shape of the goods, should be judged "solely by its dimensional shape," but the trademark examination standard above is merely an internal guideline established by the KIPO for convenience purposes to facilitate the trademark examination process.

h) Therefore, the distinctiveness of a mark combining a dimensional shape with a device or word should be judged not solely based on its dimensional shape but on the combination as a whole. The mark should be deemed to satisfy the distinctiveness requirement as long as the mark is acknowledged as being used as a source identifier in consequence of being combined with a mark or word, even though the dimensional shape lacks distinctiveness.

D. Whether or not the Subject Mark is distinctive

Since the Subject Mark is a mark consisting of a dimensional shape combined with a word, its distinctiveness should be judged upon reviewing the combination as a whole. According to this principle, whether or not the Subject Mark is distinctive will be reviewed below.

The dimensional shape of the Subject Mark consists of a semi-sphere with a circular hollow surface. With respect to its designated goods including hip joint balls, consumers would recognize the mark as the shape of a hip joint ball, and thus, the Subject Mark is a mark embodying the shape of its designated goods in a common manner, which means that its dimensional shape lacks distinctiveness (which is not disputed between the parties). In addition, the dimensional shape of the Subject Mark takes the color pink as a whole. Pink can generally be viewed as a common color and the addition of the color pink to the Subject Mark has the mere effect of conjuring a luxurious feeling to the hip joint ball, and its added brightness just make the mark appear more three dimensional, so it does not appear that the color grants any distinctiveness to the Subject Mark.

The “**BIOLOX**_{delta}” portion of the Subject Mark consists of the coined word “BIOLOX,” which is a combination of “BIO” meaning “life” and “LOX” having no special meaning; “delta,” which refers to the fourth letter of the Greek alphabet, written in a different size and font from the “BIOLOX” portion; and a simple curve shape under the “delta” portion. The word portion “BIOLOX delta” is a coined work having no descriptive meaning in connection with its designated goods, such as its nature, so the word portion itself is recognized to be distinctive. “In addition, according to the trademark sample (Plaintiff’s Exhibit No. 15) submitted at the time of filing the application, the word portion is placed in the middle of the mark and considering the proportion it takes up in the entire mark, consumers can easily recognize the word portion. Even if envisioning the word portion

inscribed on an actual size product (4.5cm horizontally × 3.5cm vertically), there is no difficulty in recognizing the word. Moreover, it does not appear that the word portion would be recognized as an explanation of the goods or a pattern added to the dimensional shape. The Subject Mark is deemed to satisfy the distinctive requirement by virtue of its word portion.

Therefore, the Subject Mark is deemed to be distinctive as a whole.

E. Sub-conclusion

Accordingly, the Subject Mark should not be deemed as a mark that embodies the shape of its designated goods in a common manner, and thus, does not fall under Article 6(1)(iii) of the TMA.

4. Conclusion

Therefore, since the IPT decision reaching the opposite conclusion is unjust and the Plaintiff's claim seeking cancellation thereof is grounded, the Court accepts the claim and issues the decision stated in the Order.

Presiding Judge	Kyuhyeon HAN
Judge	Dawoo LEE
Judge	Hyejin LEE