
South Korea: Keyword Advertising Constitutes Valid Trademark use in Non-Use Cancellation Proceeding

Dong-Hun Lee V. Tae-Sun Park, Intellectual Property Trial And Appeal Board (Case No. 2016 HEO 5439, March 15, 2017).

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In June 2015, Tae-Sun Park, a Korean individual, filed a non-use cancellation action before the Intellectual Property Trial and Appeal Board (“IPTAB”) against a registration for FILLTOX & Korean transliteration covering medical clinic services, dermatology, plastic surgery, and related services in Class 44. In July 2016, the IPTAB found in Park’s favor and issued a decision cancelling the registration.

On appeal before the Patent Court, the registrant Dong-Hun Lee submitted evidence of keyword advertising for his plastic surgery clinic. The evidence showed that when an Internet user typed the Korean transliteration for FILLTOX (that is, the Korean part of the registration at issue) into a search engine as a keyword search, a link to Lee’s plastic surgery clinic’s website would appear. Upon clicking the link, users would be directed to the clinic’s website where use of the mark FILLTOX & Korean Transliteration was used in connection with a cosmetic procedure for filler injections.

The Patent Court held in Lee’s favor and determined that use of the Korean portion of the registered mark in keyword advertising for the plastic surgery clinic constituted sufficient use of the FILLTOX &

Korean Transliteration mark for the registered services. As such, the IPTAB's decision should be overturned as the registration was not vulnerable to cancellation for non-use.

In reaching its holding, the Patent Court indicated that the keyword used in the advertising must be *identical* to the registered mark. Additionally, the website located as a result of the keyword search must offer or advertise the goods/services covered by the registration. From a policy perspective, the Patent Court noted that the purpose of non-use cancellation actions is to encourage use of registered trademarks, and not to penalize their non-use. As such, the issue of whether or not consumers perceive the mark as a source identifier is not the dispositive factor in a non-use cancellation action; rather, it comes down to whether the registrant is using the mark to differentiate its goods/services from another's.

Here, the Patent Court found that use of only the Korean transliteration portion of Lee's mark was sufficient, despite not being completely identical to the registered mark, which also included the FILLTOX term in English. Nevertheless, the Court considered the use of only the Korean part as identical to the registration and found that it should not be cancelled due to non-use given the use of the term in the context of keyword advertising. The case was remanded to the IPTAB for re-examination, and in March 2017, the IPTAB rendered its decision and held that the mark was indeed in use, pursuant to the conditions set out by the Patent Court.

Primary Contacts

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