A Comparative Study of Trade Dress in the U.S. and South Korea: Rethinking on the Laws and Precedents in the Apple v. Samsung

Sukchan Sim
Indiana University Maurer School of Law, suksim@iu.edu

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A COMPARATIVE STUDY OF TRADE DRESS IN THE U.S. AND SOUTH KOREA:
RETHINKING ON THE LAWS AND PRECEDENTS IN THE APPLE V. SAMSUNG

SUKCHAN SIM

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Thesis Committee

Mr. Sin has worked very hard on his thesis and based on the most recent copy I have reviewed, I believe the project will be a very well done final product. It was a pleasure working with him.

[Chairperson’s signature]

MICHAEL MATTIOLI
Chairperson’s name typed

[Submission date of thesis – Month Day, Year]

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Trade dress originally included the packaging or dressing of products, however in this time it has been extended to put together the impression of design of products. Product configuration, the design and shape of the product itself, may also be considered a form of trade dress. The Lanham Act protects trade dress if it serves the same source-identifying function as a trademark.

In U.S., trade dress was developed continuously for a long time and some significant case suggested guidelines reflecting the modern industry. In Wal-Mart Stores, Inc. v Samara Brothers, Inc., or TrafFix Devices, Inc. v. Marketing Displays, Inc., the Supreme Court delivered certain idea of trade dress to protect consumers’ right to choose and producers’ reputation as a intellectual property.

In South Korea, the history of trade dress is much shorter than U.S. and the way to approach to issue of trade dress also pretty different. However South Korea also accepted many concepts of trade dress from U.S. and embraced their way.

This article will compare the trade dress system between U.S. and South Korea and examine the peculiarity for both countries’ system. Especially Apple v. Samsung, will be an interesting example to compare the each country’s standards for trade dress.

Finally this article will provide suggestion to help trade dress policy for a product’s configuration under current trademark law and unfair competition law.
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I. Introduction

Today, the design of products has become a very important part of every industry, and intensive competition is observed in the global market. Outstanding design may lead to success over the competition or to a great reputation in public. This effect of design is likely connected to the overall value of products as much as quality, and is one of the best features to attract consumers who are weighing the options. Because of globalization, multinational corporations now launch their products to the whole world at the same time and they also undergo conflicts in all different countries.¹

In the U.S., trade dress is defined by as the striking total image of the features of a product’s packaging or the appearance of the product itself.² In the absence of patent or copyright protection, the overall design of products could only be protected by trademark and unfair competition law through labeling.³ Like trademark protection, trade dress is intended to protect the goodwill of an owner’s business and to protect the ability of consumers to distinguish among competing producers.⁴

The trade dress is protected by section of the Lanham Act 43 (a) after revision in 1988, however, it does not mention trade dress exactly. In I.P. Lund Trading Aps & Kroin v. Kohler Co., the court

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³ Amy B. Cohen, Following the Direction of Traffix: Trade Dress Law and Functionality Revisited, 50 IDEA 593, 562 (2010).
⁴ Two Pesos, 505 U.S. at 766.
held that trade dress could be protected when it demonstrates distinctiveness and also proves non-functional.5

South Korea adopted trade dress regulation in 1998, however, the system is not settled yet.6 7 To be protected as a trade dress in South Korea, the feature should be non-functional; have reasonable distinctiveness; and the infringement should cause a likelihood of confusion among customers.8 Among these elements, trade dress has a close relationship to the Trademark Act or the Unfair Competition Act. Because under the principle of registration, trademarks like registered trade dress belong to the Trademark Act, but unregistered trade dress is categorized in the Unfair Competition Act.9 Also because of the short history of trade dress in Korea, the courts usually deal with distinctiveness issues much more than non-functionality.

5 See. I.P. Lund Trading Aps & Kroin v. Kohler Co., 163 F.3d 27, 35 (1st. Cir. 1998). (stating that: “A primary purpose of trade dress or trademark protection is to protect that which identifies a product's source. See also Star Fin. Servs., Inc. v. Aastar Mortgage Corp., 89 F.3d 5, 9 (1st Cir. 1996). "The purpose of trademark laws is to prevent the use of the same or similar marks in a way that confuses the public about the actual source of the goods or service." Traditional trademark and trade dress law thus encourages production of products of high quality "and simultaneously discourages those who hope to sell inferior products by capitalizing on a consumer's inability quickly to evaluate the quality of an item offered for sale."”). See. American Greetings Corp. v. Dan-Dee Imps., Inc., 807 F.2d 1136, 1140 (3rd. Cir. 1986) (stating that “[S]ection 43(a) of the Lanham Act, 15 U.S.C.S. § 1125(a), proscribes not only trademark infringement in its narrow sense, but more generally creates a federal cause of action for unfair competition. In particular, § 43(a) provides a cause of action for unprivileged imitation, including trade dress infringement”).

6 In South Korea trade dress is called “three-dimensional mark”, “color trademarks” etc., but here it will be called trade dress for convenience sake.


In the international view, international trademark applications filed under the WIPO-administered Madrid System grow every year. Under the WIPO-administered Madrid System reached record of 48,910 in 2015, representing 0.9% growth on 2014 and marking the sixth year of continuous growth.

[Trend in international applications]

Also the number of member countries belonging to the WIPO is also increased to 114 countries. The Madrid System “facilitates obtaining protection in multiple jurisdictions by enabling trademark holders to submit a single application in one language while paying a single

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11 Id.
12 Id.
13 Id at 18.
set of fees in one currency. Among these countries an international registration can be transferred with regard to all or some designated Madrid members or for all or some goods and services, or the holder can limit the list of goods and services by designated Madrid members.”

In the current case, Apple sued Samsung for infringement of their utility and design patent in April 2011 in California. In the last six years both companies have sued each other around the world and now they are waiting for a decision from the Supreme Court of the U.S. In 2015, the Court of Appeals for the Federal Circuit upheld the denial of a motion for a new trial for an abuse of discretion regarding the trade dress of Apple’s products. It seems that the court applied functionality of a product configuration trade dress generally also the mere existence of other designs does not prove that an unregistered trade dress is non-functional.

In part II, this article will first explore the historical development of trade dress within the broader context of trade dress in the U.S. and South Korea. In part III, this article will explain the American trade dress system and in particular the decision of the courts regarding the Apple v. Samsung case in the Federal Court of Appeal in 2015, which explains how trade dress is discussed. In part IV, the article will introduce the trade dress system in South Korea through its historical process and principle of registration. Also, it will describe the Apple v. Samsung case in the South Korean court. In part V, I will propose several ways to approach the problem of the trade issue, and also suggest an appropriate level of protection of goodwill without invading the province of

14 Id.

15 Apple Inc. v. Samsung Electronics Co. Ltd. 786 F.3d 983 (Fed. Cir. 2015).
I. Patent and Copyright Law. At last part VI, summarize the thesis.

II. Backgrounds

In U.S., trade dress started as protection for the packaging and containers used to sell products through the Federal Trademark Act of 1946 or called as Lanham Act, but it eventually turned into protection of the designs of the products themselves. Of course as with other intellectual property, trade dress also needs to consider the risks caused by too broad protection, like monopoly or unfair competition. Learning more about the differences in countries’ systems for design patent, trade dress, and three-dimensional trademark will aid in more successful understanding of the differences between common law and civil law systems. For example, the U.S. has basically adopted a ‘first to use system’ to determine when a trademark has rights in the market. In contrast, South Korea chose the ‘principle of registration,’ which requires applying to the Bureau of Trademark to use a trademark. Also the court applies Trademark Law or the Unfair Competition Act, depending on the issues. This can cause conflict and confusion, leading to further problems for global sales in each of the countries. Of course, intellectual property laws have become more similar through international conventions and mutual treaties. Unbridgeable gaps remain, however,

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17 Cohen, supra note 2 at 564.
due in part to the historic or cultural elements of each country.

A practical solution for this gap might be suggested by an economic approach. This solution is based on that the purpose of trademark law in the U.S. and the South Korea is the same, protect the customers’ reasonable purchase and market orders from confusion.\textsuperscript{18} Becoming more aware of how both systems work for fair competition will also aid in more healthy communication between the systems.

This section will discuss trade dress cases, comparing the method of trademark protection between U.S. cases and South Korean cases. This study will further advance trade dress research by examining a recent case, \textit{Apple v. Samsung}, describing how the courts discussed the same issue. In particular, this case shows clearly the ways the courts of both countries approach figuring out distinctiveness and functionality, and how to analyze unregistered trademarks. By researching this case, it will help further knowledge on how to understand different trademark systems.

Trade dress in the U.S. was started in order to provide protection under common law to prevent palming off by unauthorized persons.\textsuperscript{19} In other words, trade dress began as protection that was part of unfair competition, rather than trademark infringement. During the early period of trade

\textsuperscript{18} The purpose of Lanham Act, available at \url{https://www.law.cornell.edu/wex/lanham_act} (last visited Nov. 23, 2016). (“The Lanham Act, 15 U.S.C. §§ 1051 et seq., was enacted by Congress in 1946 based on the power granted to it by the Commerce Clause. It provides for a national system of trademark registration and protects the owner of a federally registered mark against the use of similar marks if such use is likely to result in consumer confusion, or if the dilution of a famous mark is likely to occur. The scope of the Lanham Act is independent of and concurrent with state common law.”).

\textsuperscript{19} \textit{See}. Ball v. Siegel, 4 N.E. 667 (SC II. 1886).
dress, it was not seen as a property of trademark, but rather as a subject of torts, to prohibit confusion in the fair market.20

Joseph P. Bauer explained that section 43(a) of the Lanham act is interpreted by uniformly in federal law of unfair competition because it might allow injure businesses to counter a wide variety of competitive wrongs.21 When trademark laws is the protection of consumers against deception about the origin, source, or nature of trade-marked products, the author emphasized two major prohibition for trademark protection. First, it should make unlawful the unauthorized use of marks or symbols which become associated with a producer's goods or services, if such use is likely to confuse consumers as to the goods' origin or quality. Second, it should prohibit false statements or false representations about the source, nature, or quality of one's own or another company's products or services.22 Also the author concerned about the possibility to harm innovation if the symbol or feature which is copied contributes to the utility of the product, it is functional and not protectable as a trademark. The innovator of a useful product or product feature should not be allowed to appropriate that improvement indefinitely via the extension of trademark protection.23

The Supreme Court held that trade dress was not a right protected by federal law like patent or copyrights. Also there was no reason to apply the Lanham Act as a federal law to prohibit copying

22 Id. 701
23 Id. 717
of design, which are under the state’s unfair competition laws. This is because it is contradictory to prohibit copying a product which has already been decided as public domain by a state’s unfair competition law. On the other hand, this irony could have a risk denying rigid federal process of trademark and patent protection by states law halt to distribute public domain. As a result, trade dress could not be protected in common law, and some opinions started to protect trade dress in federal law.

As discussed above scholars have worried about abuse of trademark rights. Glynn S. Lunney Jr, criticized trademark expansion has focused on a trademark's value not merely as a device for conveying otherwise indiscernible information concerning a product ("deception-based trademark"), but as a valuable product in itself ("property-based trademark"). In Hanover Star Milling Co. v. Metcalf., the Court held that common law trademarks, and the right to their exclusive use, are of course to be classed among property rights... but only in the sense that a man's right to the continued enjoyment of his trade reputation and the goodwill that flows from it, free from unwarranted interference by others, is a property right, for the protection of which a trademark is an instrumentality. Therefore the owner of the mark acquires the right to prevent the goods to which the mark is applied from being confused with those of others and to prevent his


26 Hanover Star Milling Co. v. Metcalf, 240 U.S. 403, (1916).
own trade from being diverted to competitors through their use of misleading marks. This argument is also supported by Robert G. Bone arguing that trademark law is not supposed to confer monopolies in products; that is the province of copyright and patent (McCarthy 2014, § 6:3). More over, trade dress’s use of that feature is likely to confuse consumers by giving the same features as a source identifier. It also gives it a potential monopoly over the feature itself.

In 1988, the U.S. Congress revised section 43(a) of the Lanham Act to arrange protection for trade dress, including:

Any person who, on or in connection with any goods or services, or any container for goods, uses in commerce any word, term, name, symbol, or device, or any combination thereof, or any false designation of origin, false or misleading description of fact, or false or misleading representation of fact.

Under this broad revision, trade dress could be protected by federal law. Furthermore, section 43(a) of the Lanham Act defines the elements of trade dress protection as “false designation of origin, or any false description or representation.” On the other hand, the court held that trade dress protection needed to prove distinctiveness and non-functionality. After the revision trade dress was protected in federal law and provided protection to cover for the state’s unfair

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27 Supra at note1 at 410.


29 Id.

30 15 U.S.C. §1125(a)

31 Id.
competition law. Therefore section 43(a) of the Lanham Act “proscribes not only trademark infringement in its narrow sense, but more generally creates a federal cause of action for unfair competition”.33

Furthermore, after the revision in 1988 trade dress still developed its range of protection, such that section 2(e)(5) of Lanham Act states only non-functional trademark can be registered in trade dress.34 Section 2(f) of Lanham Act also limits trademark registration to functional marks even though the mark has distinctiveness.35

In South Korea, trade dress was first protected by adopting three-dimensional mark in 1997 to make a provision for the Madrid Protocol and Trademark Law Treaty.36 Therefore to be protected by the Trademark Act, three-dimensional marks also needed to fulfill distinctiveness requirements following Trademark Act section 2 (1).37 and

33 Id at 1140.
34 15 U.S.C. § 1052 (“No trademark by which the goods of the applicant may be distinguished from the goods of others shall be refused registration on the principal register on account of its nature unless it … comprises any matter that, as a whole, is functional.”).
35 Id. (“No trademark by which the goods of the applicant may be distinguished from the goods of others shall be refused registration on the principal register on account of its nature unless it … Except as expressly excluded in subsections (a), (b), (c), (d), (e)(3), and (e)(5) of this section, nothing herein shall prevent the registration of a mark used by the applicant which has become distinctive of the applicant's goods in commerce.”).
37 Sangpyobeob [Trademark Act], Act. No. 14033, Feb. 29. 2016, art.2 (1) (1) (S. Kor.), (“The terms used in this Act shall be defined as follows: The term "trademark" means a mark used to distinguish goods (including services or goods related to the provision of services except goods on which a geographical indication is used; hereinafter the same shall apply) of one business from those of others.”).
section 6 (1). Since 1997, Trademark Act has been revised consistently to broaden the range of trade dress. In 2007, the range of mark was extended to all things recognized visibly, and now the bounds cover invisible things like scents or sounds when it is possible to be expressed in a visible way, graphically. When the first trade dress was protected by law, it focused on protecting the right holder’s current claim by preventing illegal copying or imitating currently existing products. Afterwards to protect the upfront investment and effort made by the manufacturer and commercial orders in the developing market, the South Korea revised the Unfair Competition Act to define copying as a kind of unfair competition action. In summary, trade dress in South Korea is divided into registered and unregistered trade dress and each mark is regulated by the Trademark Act and the Unfair Competition Act.

Compared to other trademarks, trade dress has the same functions as a trademark and is regulated by Acts like other trademarks in both countries. However, trade dress is only recognized

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38 Sangpyobeob [Trademark Act], Act. No. 14033, Feb. 29, 2016, art.6 (1) (S. Kor.), (“Except where a person who is not domiciled or does not have his/her place of business in the Republic of Korea (hereinafter referred to as "non-resident") resides in the Republic of Korea, the non-resident (in cases of a corporation, referring to the representative thereof) may follow trademark-related procedures or bring a lawsuit against measures taken by an administrative authority in accordance with this Act or an order issued under this Act only through a person who is domiciled or has his/her place of business in the Republic of Korea (hereinafter referred to as "trademark manager") as an agent managing the trademark of the non-resident.”).

39 Sangpyo beob [Trademark Act] No. 8190, Jan. 3. 2007 (S. Kor.).

40 Sangpyo beob [Trademark Act] No. 8190, Jan. 3. 2007 (S. Kor.).

41 Boojeong gyounjeng bangji mit youngupbimilbohoe gwanhan bueopryul [Unfair Competition Prevention and Trade Secret Protection Act], No. 14033, Feb. 26. 2016, art. 2 (1) (Ja) (S. Kor.), (“The term "acts of unfair competition" means any of the following acts: The purpose of selling or lending a mark, including a trademark, to a person who has a legitimate source of right concerning the mark or a third party.”).
through sense of sight or sense of touch, compared to other word marks, perceived through hearing or other ways. In addition, trade dress seems broader than normal trademark because it protects the design of a product, which cannot be recognized in trademark. Also the courts consider the whole background image and reputations in the real market when they decide the infringement.42

For example, three-dimensional trademark is a typical example of trade dress in South Korea. Three-dimensional trademark states that a feature of the product or the packaging itself can function as a trademark. Therefore, it consists of three-dimensional figures, not two-dimensional figures. Even when a trade dress is not recognized visually, if a certain feature achieves distinctiveness in other senses, this features is also recognized by trade dress. According to section15 (1) of TRIPs, the wide idea of mark demand that whether distinctiveness would appear without enumerated way then it is also recognized as a trademark.43 Therefore trade dress is also affiliated with this kind of trademark.

As demonstrated above, trade dress is a kind of trademark, thus trade dress follows the requirements of trademark as well. First, trade dress or three-dimensional trademark must recognize the design of the product or the design itself as a general form of the product. A trademark which has not acquired its own distinctiveness cannot be registered as a trade dress. In the trademark law, it categorizes two kinds of distinctiveness: one is inherent distinctiveness which represents the originality of the product’s exterior, and the other is secondary meaning that is a distinctiveness acquired during using of the product.


Also trade dress under the South Korean law cannot be acknowledged if the trademark is made up of elements that are essential to the functioning of products or the packages. Thus to define an element as functional, the South Korean courts consider whether the elements are known for their practical usage in public through advertisements or whether the product or packaging implies the functionality through its features, colors, or combination of colors.44 When considering the eternal protection of the trademark’s effect, there is a risk that it might limit proper competition if a right holder monopolizes essential function. Also the inventor’s effort to develop the functionality might receive enough reward through a patent. In that case, even if the product or the package has enough distinctiveness to operate efficiently as a trade dress, however, it cannot be registered as a trademark.

Last but not least, trade dress subject matter cannot be registered when it has the possibility to cause a likelihood of confusion with other’s products or sales that are already recognized in public.45 This rule prohibits free riders from damaging the reputation and property of proper right holders. Also it is necessary to protect the customer’s right to choose and save their time and cost for purchasing certain products in the market.

Unregistered trade dress is also protected in the South Korea legal system but it is protected under the Unfair Competition Act, not under the Trademark Act as the principle of registration. In the Unfair Competition Act, the law categorizes nine exact types for unfair competition violations to limit broad interpretation. Among them, trade dress issues are applicable to section 2 (1), (Ga),

45 Sangpyobeob [Trademark Act], Act. No. 14033, Feb. 29. 2016, art.7 (10) (S. Kor.).
section 2 (1) (Da), and section 2 (1) (Ja).46

Unfair Competition Act section 2 (1) (Ga) limits use of other’s well-informed trademark, tradename, package, containers or others that would cause confusion with products from others. Unfair Competition Act section 2 (1) (Da) regulates causing confusion with someone’s sales activities or facilities by using the same or similar features as someone’s well-known trademarks or form. Therefore, these clauses provide protection under the law if certain visual images acquire distinctiveness for the source of a product for a long period with exclusive usage. The Unfair Competition Act section 2 (1) (Ja), furthermore, extended the range of protection to prototypes or designs in catalogues to prevent copying as a kind of unfair competition action.

One inevitable aspect of the different systems is the occurrence of legal conflicts. As the different factual situations and legal views have caused a lot of costs that must be resolved, there is reason to research differences in the global market. It is possible that these differences are the cause of conflicts within competition. Smartphone market competition has become fierce around the world. Therefore, the manufactures naturally become sensitive to their competitors and cause conflict to keep their profits.

During the conflict, Apple and Samsung, the biggest rivals in the market, sued each other in April 2011. In the case, Apple argued about the design parts under unregistered and registered trade dress. Apple claimed elements from its iPhone 3G and 3GS products that define the asserted unregistered trade dress included a rectangular product with four evenly rounded corners; a flat, clear surface covering the front of the product; a display screen under the clear surface; substantial black borders above and below the display screen and narrower black borders on either side of the screen; and a matrix of colorful square icons with evenly rounded corners within the display screen. The conflict is still in progress in the Supreme Court.

This study will focus on the Apple v. Samsung case in the U.S. and South Korea. The case has several meanings for intellectual property, because the amount of money involved in the case is over two billion dollars in U.S. alone. Also, it is the newest case in the Supreme Court handling...

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design issues since the 1890’s. According to the international view, the case is very unique in that the case was discussed in 9 countries around the world. Therefore, it is meaningful for comparing different views of the law based on the same facts. This study, however, will be limited to trademarks, especially trade dress, and will mainly research the U.S. and South Korean issues.

These two typical Acts for protecting trademark issues have developed with close interaction, so that the Unfair Competition Act usually makes up for the Trademark Act’s weakness in practical situations. Both laws are characterized as competition acts for fair competition, thus these laws have similarities which deter confusing actions in sales and attract fair competition in the market. However, the Unfair Competition Act prevents confusion and keeps fair order in the market by regulating individual or specific matters that imply possibilities to cause confusion. The Trademark Act, on the other hand, provides exclusive rights for products or services to right holders who fulfilled the registration process, after which the holders have the privilege not to have his right copied. In other words, the Unfair Competition Act regulates the deeds from someone’s infringement, while the Trademark Act grants an exclusive right to protect the holder’s personal interests. These differences in methods involve different ways to protect the right holders and the court has held that if a right cannot be protected by the Trademark Act, it could be protected by the Unfair Competition Act if it determines the distinctiveness of the right.

In some trademark cases involving infringement of a well-known trademark, there is an issue of whether to apply the Trademark Act or the Unfair Competition Act. This is because well-known trademarks could be seen as registered trademarks but also involve the issue of distinctiveness in

*too-much*, (last visited Nov. 11, 2016).
the Unfair Competition Act. The court limits the application of both acts only when the Trademark Act and the Unfair Competition Act mutually conflict in a case under the Unfair Competition Act section 15 (1). However, this limit cannot be applicable if the right holder has committed an abuse of right or violated the good faith doctrine. This rule is different when compared to U.S. legal system because U.S. court applies the same protections regardless of whether it is a trademark issue or unfair competition issue.

Jason J. Du Mont and Mark D. Janis also criticized court’s inconsistent applying in the without any coherent guiding vision for the functionality doctrine's purpose in the trade dress. To solve the problem the authors argue that functionality test for trade dress need to be changed comparing to design patent’s test. Also, the system of functionality doctrine about design patent and cases could be circumscribed carefully. And this restriction should be permitted in courts and also congress have to access this issue by a long-term approach.

In summary, this study will progress the comparison of the different legal systems by researching a significant case, and also by looking at how different jurisdictions approached same factual issues. Through this research, this analysis will show a gap between the principles of registration and the first-to-use systems and will suggest resolutions for the gap in various approaches.

III. Trade Dress in the U.S.

51 Id. at 303.
A. The legal issues in U.S.

The foregoing study in part II, trade dress in U.S. begin with common law, however, the Supreme Court prohibit trade dress from protecting products which are not protected by federal acts like Patent or Copyrights Act.52 This precedent declared again that federal acts has dominant position than state’s acts, not to deny entire trade dress. Besides, the congress of U.S. started to protect trade dress by Lanham Act as a federal act. According to section 43(a) of the Lanham Act, 15 U.S.C. section 1125(a), a product’s “trade dress” is protected against infringement.53 Section 43(a) of the Lanham Act prohibits the use of “false designations of origin” in connection with goods, services, or their containers that are “likely to cause confusion, to cause mistake, or to deceive as to the affiliation, connection, or association of the [the producer or seller] or commercial activities”.54 This provides a federal cause of action for claims of infringement of unregistered trademarks and other indications of origin. This federal cause of action is very popular because it provides a federal forum for infringement claims and Lanham Act infringement remedies, which are more generous than the remedies afforded under the most state’s law.55

In Abercrombie the Court of Appeals for the Second Circuit, recognized that trade dress refers to the image and overall appearance of a product which embodies identifying characteristics or


decorations with a product. At first, trade dress started as a protection for the packaging and containers which used to sell products, eventually turned into protection of the designs of the products themselves. However, trade dress usually is reluctantly protected in section 43(a) of the Lanham Act. Because of high connection that design connected with the requirements for utility patent registration or copyright areas in separable features. This reluctance to protect the design of useful products is based on the policy that favors free competition in the sales of goods.

The doctrine of functionality first was mentioned in 1909 in *Kellogg Co. v. National Biscuit Co.* There, the U.S. Supreme Court denied to protect the trade dress by stating that “this form is functional that the cost of the biscuit would be increased and its high quality lessened if some other form were substituted for the pillow-shape.” The purpose of trade dress and trademarks is to inform consumers as to announce the source of a product— a goal that, functionality does not further. Instead, patent or trade secret is applicable to protect useful function of products. The court held that functional features are by definition those likely to be shared by different producers of the same product and therefore are unlikely to identify a particular producer. The principal exception is for new products.

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58 Id. at 595.
60 *Publications Int'l, Ltd. v. Landoll, Inc.*, 164 F.3d 337, 340 (7th Cir. 1998).
In *Morton-Norwich Products Inc.*, the United States Court of Customs and Patent Appeals (CCPA) tried a test to identify functionality in trade dress. The considerations, which have subsequently become known as the "Morton-Norwich factors," include: (1) the existence of a utility patent disclosing the utilitarian advantages of the design; (2) advertising materials in which the originator of the design touts the design's utilitarian advantages; (3) the availability to competitors of functionally equivalent designs; and (4) facts indicating that the design results in a comparatively simple or cheap method of manufacturing the product.61

In 1992, the Supreme Court clearly indicated that between the concern for whether inherently distinctive trade dress was protectable under section 43(a) of the Lanham Act, without a showing that it had acquired secondary meaning.62 In *Two Pesos v. Taco Cabana*, the plaintiff claimed that Two Pesos had copied the ornament and atmosphere to enjoy a trademark on its trade dress. The defendant in competitive field in Texas, decorated with similar ornaments to make similar atmosphere plaintiff’s restaurant, thus plaintiff sued defendant for infringement of section 43 of Lanham the Act. About the issue the trial court in Texas clarified that Taco Cabana has a trade dress and the defendant has creates a likelihood of confusion on the part of ordinary customers as to the source or association of the restaurants’ goods or services.63 The jury found that: (1) Taco Cabana has a trade dress; (2) Taco Cabana's dress, taken as a whole, is non-functional; (3) the dress is inherently distinctive; (4) the dress has not acquired secondary meaning in the Texas market; (5)

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61 See. Morton-Norwich, 671 F.2d at 1332 (citing Brett Ira Johnson, 125,128).
62 See. Two Pesos 505 U.S. at 771.
63 Taco Cabana Int'l, Inc. v. Two Pesos, Inc., 932 F.2d 1113, 1117 (5th Cir. 1991).
customers might likely associate or confuse a Taco Cabana restaurant with a Two Pesos restaurant; (6) Taco Cabana exercises adequate supervision and control over TaCasita to ensure that the quality of TaCasita's goods and services are not inferior to Taco Cabana's; and (7) Taco Cabana was damaged by the trade dress infringement.64

Two Pesos argued that Taco Cabana should represent secondary meaning of their interior to be protected by trade dress, however the Supreme Court held the proof of secondary meaning is not required to prevail on a claim under section 43(a) of the Lanham Act where the trade dress at issue is inherently distinctive.65 Since its design was inherently distinctive, the plaintiff is protectable without showing evidence of secondary meaning.66 Therefore the Supreme Court seemed trade dress which have inherent distinctiveness receive protection without proof of secondary meaning like normal trademarks.

Eight years later, the Supreme Court’s broad interpretation to secondary meaning was made more narrowly. In Wal-Mart, Samara Brothers sued Wal-Mart under section 43(a) of the Lanham Act, alleging trade dress infringement.67 Samara Brothers is a cloth making company for children attaching ornaments like fruits, hearts, flowers, on the spring, summer one piece. Samara Brothers retailed these clothes to various department stores however they are not delivered their products to Wal-mart. Wal-Mart, which contracted with a supplier to manufacture children's

64 Id.

65 Two Pesos, 505 U.S. at 776.

66 Id. at 770.

clothing, sent the supplier photographs of a number of the designer's garments, many of which contained copyrighted elements. The District Court denied the motion and awarded the designer damages, interest, costs, fees, and injunctive relief. The United States Court of Appeals for the Second Circuit affirmed the denial of the retailer's motion.

Under the Two Pesos, design was inherently distinctive and automatically protected without needing evidence of secondary meaning. However, Wal-Mart appealed, arguing that the cloth design was not distinctive and not protectable as trade dress. Compare to Two pesos, the Supreme Court held that design and color are not inherently distinctive with reasoning that a product’s packaging has functioned to indicate the source of product. Product packaging derives from the fact that the very purpose of attaching a particular word to a product, or encasing it in a distinctive package, is most often to identify the product's source. The court held that:

Although the words and packaging can serve subsidiary functions -- a suggestive word mark (such as "Tide" for laundry detergent), for instance, may invoke positive connotations in the consumer's mind, and

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70 See. Samara Bros., 165 F.3d at 122.
71 Cohen, supra note 2 at 636.
72 Cohen, supra note 2 at 636.
74 Id. at 213.
a garish form of packaging (such as Tide's squat, brightly decorated plastic bottles for its liquid laundry detergent) may attract an otherwise indifferent consumer's attention on a crowded store shelf -- their predominant function remains source identification. Consumers are therefore predisposed to regard those symbols as indication of the producer, which is why such symbols "almost automatically tell a customer that they refer to a brand," and "immediately . . . signal a brand or a product 'source,'"75.

On the other hand to be protectable to trade dress for product design itself, the plaintiff need to prove secondary meaning of product design. The reason is that consumers do not recognize the source of product by the product design. The court held that:

In the case of product design, as in the case of color, we think consumer predisposition to equate the feature with the source does not exist. Consumers are aware of the reality that, almost invariably, even the most unusual of product designs -- such as a cocktail shaker shaped like a penguin -- is intended not to identify the source, but to render the product itself more useful or more appealing.76

Therefore the case issue was about the product design and the plaintiff didn’t prove the

75 Id. at 208
76 Id. at 213.
secondary meaning about the unregistered trade dress so the Supreme Court reversed the judgment of second circuit court.

In *Two Pesos*, the court held a trademark with inherent distinctiveness could be protectable without of secondary meaning. However, in *Wal-Mart*, the Court demanded verification of secondary meaning of product design as a matter of functionality. Come to think of between *Two Pesos* and *Wal-Mart*, the Court seems to limit range of Two Pesos case by providing the functionality that the product packaging could identify the source of products. Therefore, these two precedents guide to apply the issue of trade dress whether the subject of trade dress is product design or product packaging. This approach seems appropriate because product package has strong distinctiveness than product design for indicating the source of product.

In *Trafix Device v. Marketing Displays, Inc.*, the Supreme Court narrowed the range of trade dress. Because trade dress protection may not be claimed for product features that are functional. The Court held that a utility patent represents strong evidence that the features therein claimed are functional. It adds “great weigh” to the statutory presumption that features are deemed functional until proved otherwise by the party seeking trade dress protection. To overcome the presumption, therefore, the claimer of the trade dress protection must carry the heavy burden of proof that the feature is not functional, for instance by showing that it is merely an ornamental,


78 *Id.* at 29.

79 *Id.*, at 30.
incidental, or arbitrary aspect of the device.80

The Supreme Court also looked in the dual spring mechanism which incorporated into its outdoor sign to keep the sign from falling over in the wind that had already expired as utility patent. The Supreme Court found that the dual spring mechanism was functional under the Inwood standard, therefore, it is functional. The reason is that the plaintiff’s mechanism served the useful purpose of resisting the force of wind.81 In this regard, a feature is functional when it is essential to the use or purpose of the device or when it affects the cost or quality of the device.82 The Court seemed that the dual spring mechanism was essential to the use or purpose of the product and also was functional.83 Therefore, functionality having been established, whether MDI's dual-spring design has acquired secondary meaning need not be considered.84 TrafFix case reminds that functional feature is one the exclusive use of which would put competitors at a significant non-reputation-related disadvantage.

The main problem is Circuit Courts of Appeals have split in their interpretation of TrafFix. The Federal Circuit still has applied Morton-Norwich test automatically for functionality issue. According to TrafFix trade dress seems to functional if the trade dress design is superior to the alternatives in functional or economy of manufacture.85 Also in Valu Engineering Inc. v. Rexnord

80 Id. at 30.
81 Id. at 31.
83 Id. at 32
84 Id. at 33
85 Id. at 29
Corp., the federal circuit clarified *TrafFix* did not alter the *Morton-Norwich* test.\(^8\) *TrafFix* focused inquiry on the effect of trade dress protection on competition and did not prohibit from thinking about the availability of functionality. In sum, *TrafFix* does not render the Board's use of the Morton-Norwich factors erroneous.\(^7\)

However, the Fifth Circuit has interpreted *TrafFix* to guideline of two separate tests for functionality which must be satisfied to be protected. At first to figure out functionality issue need to decide whether it is essential to the use or purpose of the article or if it affects the cost or quality of an article.\(^8\) After the test a product feature is functional, it cannot serve as a trademark and no need to consider “competitive necessity” test. If the product passed traditional test, then the court will look up competitive necessity whether possibility of good alternatives between competitors.\(^9\)

B. Functionality issues in Apple v. Samsung

Trade dress means entire look and feel of a product which relevant to commercial activity. It is protected by judicial precedent and common law for a long time also applied by Lanham Act, especially unregistered trade dress is also recognized as a trade dress in federal by section 43(a)(3) of the Lanham Act in 1999. In South Korea, also protect trade dress as a various way three-dimension trademark in 1998, registered trade dress protection by unfair competition law section

\(^8\) Valu Eng'g, Inc. v. Rexnord Corp., 278 F.3d 1268, 1274 (Fed. Cir. 2002)


\(^8\) See. Eppendorf-Netheler-Hinz GMBH v. Ritter GMBH, 289 F.3d 351, 355 (5th Cir. 2002) (Citing TrafFix)

\(^9\) Id. at 365.
2(1)(Ja) of the Unfair Competition Act, and according to revision trademarks law covered all the visual marks. However, these changes are result from international trends like FTA not domestic revise, therefore it still lack of experience or precedent.

In this chapter will discuss about the Apple v, Samsung case since 2011. By comparing each court’s decision in U.S. and South Korea, it will present different view of trade dress.

1. Unregistered Trade Dress

   Apple sued Samsung in April 15, 2011 in Northern California Federal Court for infringement of patent, unfair competition. Apple alleges that Samsung's Galaxy cell phones and computer tablets infringe Apple's trade dress, trademarks, and utility and design patents.90

   The issue between Apple and Samsung in trade dress was about the functionality. In this case, because Apple’s rectangular shape with round edge was not registered so plaintiff should prove that it is not functional.

   To figure out the functionality, the court considered two kinds of functionality: Utilitarian functionality and Aesthetic functionality.

   More over in the aesthetic functionality, Samsung argued that when a package of the product’s contribute entire its usefulness it also seems to be a functionality. According to TraFfix, the United States Supreme Court has determined that trade dress protection cannot be claimed for product features that are functional.91 However, aesthetic functionality is not permitted automatically just

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91 See. TraFFix 532 U.S. at 34.
to contribute to consumer’s reason to buy. Only for when the feature of product increase the product’s value dramatically. If a certain design or ornament was picked to distinguish or look nice, it must be interpreted not to be influenced consumer’s basic demand for purchasing.

Apple sued Samsung in April 2011. On August 24, 2012, the first jury reached a verdict that numerous Samsung smartphones infringed and diluted Apple's patents and trade dresses in various combinations and awarded over $1 billion in damages.92

In unregistered trade dress, there is a legal issue about functionality at the unregistered trade dress of iPhone3G’s exterior.93 The Ninth Circuit discussed about the product’s shapes or materials that cover the product or the method of finishing.

To prove trade dress Apple takes the burden of prove that the claimed trade dress, taken as a whole, is not functional.94 The Ninth Circuit uses to analyze functionality by four factors test in Disc Golf: Utilitarian Advantage; Alternative Designs; Advertising of Utilitarian Advantages and Method of Manufacture.95


93 See. Apple Inc., 786 F.3d 983. “a rectangular product with four evenly rounded corners; a flat, clear surface covering the front of the product; a display screen under the clear surface; substantial black borders above and below the display screen and narrower black borders on either side of the screen; and when the device is on, a row of small dots on the display screen, a matrix of colorful square icons with evenly rounded corners within the display screen, and an unchanging bottom dock of colorful square icons with evenly rounded corners set off from the display's other icons.”

94 See. 15 U.S.C. § 1125(c)(4)(A)

95 See. Disc Golf Ass'n v. Champion Discs, Inc., 158 F.3d. 1002, 1006 (9th Cir. 1998)
Apple argued that the physical design did not contribute to the usability of the device also it was not developed for the better features. However, the Ninth Circuit has explained that it is necessary to prove nonfunctionality the party with the burden must demonstrate that the product feature serves no purpose other than identification. Furthermore as the defendant accounted, plaintiff’s product’s design has various kinds of functionality in “pocketability” and “durability” etc.

To waive functionality, plaintiff must show that alternative designs “offer exactly the same features” are already existed. The plaintiff, however, asserting that several alternative designs already existed before which exactly the same features as the asserted trade dress. However, the Ninth Circuit clarify that the “mere existence” of other designs like prototypes, however, does not prove that the unregistered trade dress is non-functional.

It seems to be a strong evidence for functionality when a utilitarian advertisement explain specific features, also an “inference” of a product feature's utility in the plaintiff's advertisement is enough to demonstrate functionality of the certain features. Apple argues that its advertising was

96 Id. at 1007

97 See Apple Inc., 786 F.3d at 993, “For example, rounded corners improve “pocketability” and “durability” and rectangular shape maximizes the display that can be accommodated. A flat clear surface on the front of the phone facilitates touch operation by fingers over a large display. The bezel protects the glass from impact when the phone is dropped. The borders around the display are sized to accommodate other components while minimizing the overall product dimensions. The row of dots in the user interface indicates multiple pages of application screens that are available. The icons allow users to differentiate the applications available to the users and the bottom dock of unchanging icons allows for quick access to the most commonly used applications.”

98 See Talking Rain, 349 F.3d at 604, (citing Apple Inc. v. Samsung Electronics Co. ltd. 786 F.3d 983 (Fed. Cir. 2015)).

99 Disc Golf Ass'n, 158 F.3d. at 1009.
“[f]ar from touting any utilitarian advantage of the iPhone design....”, however, the court decided that Apple has failed to explain why Apple promoted to public their user interfaces without functionality.100

In Disc Golf, a functional benefit in the asserted trade dress arises from “economies in manufacture or use,” need to be investigated.101 Apple argued that iPhone’s design is not resulted from relatively simple or cheaper method in manufacture. However, the court judged Apple has failed to prove any evidence in the record to show they were not relatively simple or inexpensive to manufacture.102 The court considered the challenging factors in manufacture came from durability of product not defines as its unregistered trade dress.

In sum, Apple has failed to show that there was substantial evidence in the record to support a jury finding in favor of non-functionality for the unregistered trade dress on any of the Disc Golf factors. Apple fails to rebut the evidence that the elements in the unregistered trade dress serve the functional purpose of improving usability. Rather, Apple focuses on the “beauty” of its design, even though Apple pursued both “beauty” and functionality in the design of the iPhone.103 Therefore the court reversed the district court's denial of Samsung's motion for judgment.

2. Registered '983 Trade Dress

Compare to unregistered trade dress, the '983 trade dress is a registered trademark about

100 See. Apple Inc., 786 F.3d at 994.
101 See. Disc Golf Ass'n., 158 F.3d. at 1009.
102 See. Apple Inc., 786 F.3d at 994.
103 Id. at 994
iPhone’s design details in each of the sixteen icons on the iPhone's home screen framed by the iPhone's rounded-rectangular shape with silver edges and a black background. Because a federal trademark registration guarantees "prima facie evidence" of non-functionality. Therefore, defendant takes the burden of prove for evidence of functionality to break through of its presumption.

The Ninth Circuit judges specific icons have invented for communicating with consumers who owned the products and this facts “make more real estate” to the functional icon design. Apple argued the '983 trade dress needs to accepted by entire feature, however, Apple fail to refute the total combination of the sixteen icon designs in the context of iPhone's “easy to use” design theme. Therefore, Apple could not explain the functionality of the registered '983 trade dress and also prove the non-functionality for rebuttal. As a result, the jury's findings of non-functionality of the asserted trade dresses were not supported by substantial evidence in trial court.

3. Consideration

The Supreme Court and appeal courts show highly rigid standards in the trade dress that related to component of the product. Therefore, it seems to these courts chose mutually strict standards for utilitarian functionality. On the other hands, South Korea’s Trademark law rarely distinguished

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104 Id. at 995

105 See. Tie Tech, Inc. v. Kinedyne Corp 296 F.3d at 782-83 (9th Cir. 2002), (citing Apple Inc. v. Samsung Electronics Co. ltd. 786 F.3d 983, 995. (Fed. Cir. 2015))

106 See. Apple Inc., 786 F.3d at 996. (Fed. Cir. 2015).

107 Id.
between functionality and distinctiveness of its lack of precedents.  

IV. Trade Dress in South Korea

A. The legal issues in South Korea

In the Republic of Korea (hereafter called “South Korea”) the Trademark Act was amended in 1998 to include trade dress regulation. This amendment was added in order to participate in the ‘Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks’ (hereafter called the Madrid Protocol) and the ‘Trademark Law Treaty’ (hereafter called TLT). Before this amendment, the Supreme Court of South Korea tried to approach trade dress as a matter of unfair competition. However, as it began to accept three-dimensional trademarks, trade dress was protected by the Trademark Act as well.

Since 1949 the Trademark Act in South Korea had traditionally protected symbols, letters, and the combination of figures. Since then, the Trademark Act has continuously developed in its scope of protection: color was able to be protected when the color linked to symbols, letters, or

108 Sangpyobeob [Trademarks law], Act. No.14033, Feb. 26, 2016, art. 7(1)(13) (S. Kor.)
111 Sangpyobeob [Trademark Act], Act. No. 71, Nov. 28, 1949, art. 1(1) (S. Kor.)
figures in 1997. In 2007 the Trademark Act was amended to extend the range of marks to ‘all identifiable visual elements as compositions of trademark,’ so that color itself and holograms are identified as a trademark as well. With the FTA between the U.S. and South Korea, the range of marks was extended again to marks that can be explained in any visual and realistic way. In this regard, the trademark system and trade dress regulation in South Korea have expanded their range by following the international trends.

According to the traditional view of Korean trademark law, trade dress is interpreted as a three-dimensional mark. This can be compared to the American definition in which the entire design or impression of the product can be recognized as a product or packaging design under the Unfair Competition Act section 2(1)(Ga). Regarding whether color can be recognized in trade dress, the U.S. Supreme Court held that color can be recognized as a distinctive mark when the color has secondary meaning and is non-functional. In theory, the color itself or combinations of colors are able to be registered as a trademark when they have their own distinctiveness and are not commonly in use in the industry, however there is no precedent on this matter. Trade dress must be recognized visibly. Therefore, sound or smell can be registered in trademark but is not covered

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114 Sangpyoebob [Trademark Act], Act. No. 11113, Dec. 2, 2011, art. 2(1)(Da) (S. Kor.).
116 See, Qualitex Co., 514 U.S. at 162.
in trade dress.

About the functionality, the Trademark Act section 7 (1) (13) limits the registration of trade dress when the product or the product’s packaging is functional. Also the Trademark Examination Guidelines section 27 explains that the decision regarding the standard of the functionality should be based on the information describing the advantages of the product, such as advertisements or pamphlets. Even though the functionality is inseparable for the products’ or packages’ essential parts, and the products have distinctiveness, these products and packages are not registered as trade dress.118

The Trademark Act section 7 (1) (13), which was established based on the U.S.’s functionality doctrine, is intended to prevent eternal protection of the product’s functions through the Trademark Act.119 In other words, protection of the functional part of the design, encouraging the invention of something useful and giving temporary exclusive rights of intellectual property, belongs to patent, not trademark.120 According to the Trademark Examination Guidelines section 27, the standard of functionality for three-dimensional trademark considers the following: (1) whether the design exists to alter specific functionality, and (2) if alternative designs exist, whether the price of the alternative is equal to or less than the original.121 Under this rule, the courts need to consider the entire view of fairness in the market and the customers’ right to choose. In the court’s

119 TrafFix Devices, 532 U.S. at 30.
120 Id. at 35.
recommendation, a person who is arguing non-functionality of trademark can submit materials in the following clauses:

1) Materials which prove the existence of alternative designs already currently used in related industries or that are highly likely to be used

2) Materials to prove differences of cost between the design and others

3) Materials to prove it is highly related to functionality, for example a utility patent or design patent

4) Materials that announce the features of the product or packaging in public through advertisements

5) Materials which describe the features embodied in the products or packages, etc.

Trade dress is also protected by the Unfair Competition Act section 2 (1) (Ga), (Da) or (Ja). This act sets out a positive system of rules, and there is no article that generally defines unfair competition behavior. The intent of the Unfair Competition Act is categorized by two major parts: to prevent infringement between business associates or to benefit the entire market area. If a mark is not registered with the Trademark Office, it can still be protected under the Unfair Competition Act (Ga) and (Da) if the mark or product’s total visual image has been exclusively

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recognizable to customers for a long period. And the Unfair Competition Act (Ja) also prohibit copying a design found in a competitor’s products.

The Supreme Court of Korea held that in order to recognize a trade dress it is necessary to prove a certain trade dress has been used in public for a long period in an exclusive way through continuous promotion to customers and other competitors.123 In general, the Supreme Court of Korea permits trade dress in exceptional cases that have acquired some secondary meaning through long, exclusive use and advertisement. However, because trade dress is becoming popular in marketing to customers as a kind of function to show a source of origin, the precedents are also changing. In another precedent, the Supreme Court of Korea acknowledged that the defendant’s copying of a design infringed on the plaintiff’s source of product as trademark.124 This case shows that the court is beginning to accept product design features as a function for marks. In addition, the Supreme Court of Korea held that the determination of whether the trade dress has secondary meaning should consider the complete picture of its social position in the economy, the reputation among customers, and the cultural ripple effect.125 Therefore, trade dress should be approached from a wide perspective, but it also requires searching the individual product to find secondary meaning.

The Supreme Court of Korea maintains that the shape of the product is a kind of technical idea, therefore, it must be denied eternal protection under the Unfair Competition Act, like utility or

123 Supreme Court [S. Ct.], 94 Do1947, Dec. 2, 1994 (S. Kor.).
124 Supreme Court [S. Ct.], 2010Da58261, Mar. 28, 2013 (S. Kor.).
125 Supreme Court [S. Ct.], 2003Hu649, Jun. 9, 2005 (S. Kor.).
design patents. The reason for the functional doctrine is to prevent excessive permission of trade
dress, as well as the abuse of privilege under the Unfair Competition Act. The Supreme Court of
Korea has judged a trademark infringement case based on the doctrine of functionality.126 The
court held that the product in the case maintained an exclusive position in the industry for a long
period and was known for a specific design among the people working in their field. Therefore,
the features of the product had uniqueness when compared to other products.

Because the packaging, in essence, is always related to the function of the product, trade dress
protection might be denied in most cases. Therefore, the doctrine of functionality should be
interpreted based on how the function is represented. In other words, it is necessary strike a balance
between elements representing the source of product and the functions of inventor’s intent. The
Korean Intellectual Property Office has announced that the functionality is determined based on
whether the function is essential for the product or packaging and then by determining whether the
function provides a dominant market position.127 In that case, the product or its packaging is
reviewed in its entirety.

In Musician Turtle case, the plaintiff has sold a turtle-shaped toy that plays a simple melody
since 1983.128 The toy has the following features: a white sailor’s hat; slightly large eyes; four
legs attaching to wheels; a shell made with regular polygons and round shapes; and another smaller,
identical turtle toy that is attached to it. After the large success of the toy, the plaintiff applied for

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126 Supreme Court [S. Ct.], 2001Da83890, Nov. 27, 2003 (S. Kor.).
128 Supreme Court [S. Ct.], 2001Da83890, Nov. 27, 2003 (S. Kor.).
a trademark in 1992, completing the process in 1993. The toy continues to be sold with a good reputation today in baby toy stores.

In 1999, the defendant began to sell a toy called “Melody Turtles” which appeared to be similar to the plaintiff’s toy in features and appearance. In 2000, the plaintiff warned the defendant of the possibility of infringement on the plaintiff’s trademark right, after which the defendant changed the color following the plaintiff’s request. As a result, the plaintiff sued to halt the defendant’s sales and to ask apologize newspaper advertisement for remedy.

The appeals court investigated under the Unfair Competition Act section 2 (1) (Ga) whether the toy had acquired a reasonable reputation for customers to expect a specific source for the product based on long, continuous, exclusive use or consistent marketing in public. As the plaintiff mentioned, the toy had already sold a lot in public. Therefore it had a certain reputation among consumers and manufacturers and the toy had been nominated for its good design in 1992. In

129 Trademark registration number 0281646 (S. Kor.).
130 Seoul High Court [Seoul High Ct.], 2001Na40611, Oct. 30, 2001 (S. Kor.).
addition, the court had already ordered the defendant not to violate the plaintiff’s trademark. But the court held that these facts cannot prove the connection between the product and customers based on its reputation.

The Supreme Court held differently, however, that the toy had steadily sold in the market with a good reputation for over 20 years and had also won many prizes for their design. In this regard, the plaintiff’s product had already acquired distinctiveness compared to other toys on the market. Even though there are many toys already existing that are based on the turtle’s exterior, these products rather imply alternative designs of turtles. Therefore, the plaintiff had already acquired long and continuous exclusive fame for the product before the defendant began to sell its product. According to these factors, it is clear that the defendant infringed on the plaintiff’s reputation.

The Banana milk case shows more specific idea of between functionality and reputation. The plaintiff has sold banana-flavored milk in a crock-shaped plastic container since 1974. Over 30 years, the product sold over 2.1 billion units. The plaintiff registered the product design as a three-dimensional mark in 2003, and enrolled the container design for a design patent in 2004. The plaintiff’s product possessed 70% of the market share for banana-flavored milk and 30% of the entire flavored milk industry. In 2005, the plaintiff sued the defendant for infringement of the plaintiff’s right because the defendant began to sell banana and strawberry milk in a container which looked similar to the plaintiff’s container.

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131 Seoul Central District Court [Dist. Ct.], 2005Ka-Hap2553, Oct. 12, 2005 (S. Kor.).
The Supreme Court of Korea held that the defendant infringed on the plaintiff’s right by increasing the likelihood of confusion among customers. To consider the issue of distinctiveness, the right holder must prove that the package or design itself delivers specific meaning for sales and has been used in public continuously and exclusively or is well-known by the public through consistent marketing to consumers. In this regard the shape of the container has distinctiveness in the market. The court reasoned that the plaintiff had used the shape since 1974, and for this 30 years no one else had used a jar-shaped container in the milk industry. For three decades the plaintiff had occupied matchless market power in the favored milk market. Therefore, the plaintiff’s container had reasonable distinctiveness in the market.

The defendant argued that the jar-shaped container is functional to maintain the freshness of the product inside, however the court did not grant the issue because there are various alternatives that could maintain the contents of the bottle. On the other hand, the plaintiff spent a huge cost to develop the product’s shape, therefore the functional issue did not dismiss the plaintiff’s right.

In contrast, the plaintiff argued that the defendant had incurred the likelihood of confusion. The court held that defendant’s product was similar to that of the plaintiff. First, the products’ jar-
shaped containers were hard to distinguish at first sight. Also both products used the same green and yellow color combination to print the product’s name and manufacturer’s trademark. In addition, considering both manufacturers are in a competitive and malicious business relationship, the defendant’s sales have damaged the plaintiff’s right and possession.

Besides that, the court expressed the necessity of conservation of the container. The reason is that the plaintiff strongly criticized the defendant’s copied container, which attracted consumers by freeriding on the plaintiff’s reputation. In addition to adversely affecting the plaintiff’s fame and sales, it is clear that consumers would have been confused by the containers’ similarity, limiting the consumers’ right to choose. As a result, the defendant’s container infringed on the plaintiff’s trade dress.

B. Samsung Electronics v. Apple Inc.

Apple sued Samsung, claiming that the defendant had infringed on the plaintiff’s patent for the user interfaces and six designs for mobile devices made by Apple. According to the plaintiff’s argument, the defendant’s product copied the plaintiff’s design patent in 1) the mobile

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132 Seoul Central District Court [Seoul Dist. Ct.], 2011Ga-Hap63647, Aug. 24, 2012 (S. Kor.).

133 This article will only discuss the trade dress issue.
device exterior\textsuperscript{134}, 2) the arrangement and design of icons,\textsuperscript{135} 3) the icon design for memos\textsuperscript{136}, 4) the icon design for the phone call function\textsuperscript{137}, 5) the design for turning over both pages\textsuperscript{138}, and 6) the design for turning over a one-sided page\textsuperscript{139}. Therefore, the plaintiff claimed damage by the defendant who had manufactured and sold their product which copied plaintiff’s mobile devices: 1) the defendant caused the likelihood of confusion among customers, and 2) violated the unfair competition law by damaging the plaintiff’s acquired distinctiveness.

The plaintiff launched its mobile device, iPhone, on June 29, 2007. It released the iPhone3GS in South Korea on November 28, 2009 and the iPhone4 on September 10, 2010. In addition, the plaintiff announced a tablet PC, named the iPad, on November 30, 2010. The defendant launched the Galaxy S, Galaxy K, and Galaxy U on June 23, 2010. The defendant released a tablet PC called the Galaxy Tab on January 26, 2011 and launched the Galaxy S2 on April 28, 2011. In that year, Samsung released 3 additional products in South Korea and the world.

The Plaintiff sued the defendant, claiming that the defendant as a second mover copied the plaintiff’s innovative design of products to catch up the plaintiff’s global success. And the defendant’s production and sales were likely to cause confusion between the products under the Unfair Competition Act section 2 (1) (Ga) or the dilution of the famous mark under the Unfair

\textsuperscript{134} Design registration number 469568 (S. Kor.).
\textsuperscript{135} Design registration number 507156 (S. Kor.).
\textsuperscript{136} Design registration number 507164 (S. Kor.).
\textsuperscript{137} Design registration number 507166 (S. Kor.).
\textsuperscript{138} Design registration number 602290 (partial design M10) (S. Kor.).
\textsuperscript{139} Design registration number 602290 (partial design M12) (S. Kor.).
1. Issue for Likelihood Confusion

In the Unfair Competition Act section 2 (1) (Ga)\textsuperscript{141}, likelihood of confusion needs to determine whether consumers might be confused between both products in the real market. To find out the likelihood of confusion, the plaintiff needs to prove not only the national power of discernment about the product but also to show that the defendant’s product has made customers confuse the two products because they look the same or quite similar. In other words, it is not considered a likelihood of confusion in the court when the products are not confused in the real market, even if both products have similarities in their exteriors, names, and concepts. As the court compared the Apple Inc. and Samsung Electronics products, they found the following similarities: (1) the front of the products were rectangular in shape with round corner and slim side parts, (2) the front parts were covered by flat, colorless, and transparent material, (3) the front parts were surrounded by a bezel, (4) a rectangular display was located under the flat, colorless, and transparent material, (5) square icons with round corners were arranged on the screen when the device operating.\textsuperscript{142} In order to be protected as a well-known sign with national status, the mark must have a certain level of power of discernment. It must also come to have discriminative meaning to customers through

\textsuperscript{140} Seoul Central District Court [Seoul Dist. Ct.], 2011Ga-Hap63647, Aug. 24, 2012 (S. Kor.).

\textsuperscript{141} Boojeng gyunjengbangju mit youngupbimilbohoe gwanhan beobryul [Unfair Competition Act] No. 14033, Sept. 1, 2016, art. 2 (S. Kor.).

\textsuperscript{142} Seoul Central District Court [Seoul Dist. Ct.], 2011Ga-Hap63647, Aug. 24, 2012 (S. Kor.).
continuous, exclusive use or strong promotion in the real market. 143

At the time iPhone was already launched in U.S. and its design and function were well-known among domestic customers and competitors. Also the plaintiff exposed their products to domestic customers through huge promotion programs when it was launched in South Korea. Therefore, the iPhone 3GS had great success in the domestic mobile device market. Many customers showed considerable distinctiveness about the plaintiff’s product in its design and there was a strong connection to reach high sales. Since the iPhone was released, customers who bought or tested mobile devices knew the plaintiff’s devices well and the devices were also differentiated in the market. In this regard, there is no doubt that the plaintiff’s product design has certain distinctiveness in the market in South Korea. 144

However, the court also held that the similarities cannot acknowledge as salient elements to determine the likelihood of confusion in the mobile device and tablet computer market. 145 The Supreme Court of South Korea traditionally decided likelihood of confusion by considering the entire view of the source of the product. Therefore, arbitrary classification was denied when the mark did not cause infringement in the real market, even though some marks might be similar to another mark. In other words, to decide the issue of the likelihood of confusion, the court considered the entire elements which inspire or remind customers or business competitors of the

143 Supreme Court [S. Ct.], 2006Do1157, Jul. 13, 2007 (S. Kor.)

144 Seoul Central District Court [Seoul Dist. Ct.], 2011Ga-Hap63647, Aug. 24, 2012 (S. Kor.)

145 Id.
Instead the court announced there were differences between the products due to: (1) the shape of the central control button located under the screen, (2) the reputations of the mark attached to the back side of the products, (3) the plaintiff’s trademark, like the iPhone3GS, and the defendant’s Galaxy S’s are printed obviously on the packages, (4) the fact that it is very rare for customers to decide based only on the design when purchasing a mobile device, and instead they will consider elements of the products at large, like the operating system, functions, trademark, instructions, applications, price, warranty service program, compatibility, etc. In this regard, it is hard to accept that the consumers might confuse the products in the real market.

Even though the defendant was in the highly competitive business of mobile devices with the plaintiff and there seemed to be many similarities to be found in the products’ designs, these similarities also could be due to the long period of exposure in that business area. Additionally, the factors which attracted consumers included not only the certain design parts, but also the operating system, functions of the products, trademarks, price, etc. In this regard, it is hard to expect customers to confuse the products because of these specific design similarities when the customers choose a mobile device in the real market.

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146 Supreme Court [S. Ct.], 98Da63674, Feb. 23, 2001 (S. Kor.).
147 Seoul Central District Court [Seoul Dist. Ct.], 2011Ga-Hap63647, Aug. 24, 2012 (S. Kor.).
148 Id.
149 Id.
2. Issue for Dilution

The court excluded the issue of whether the plaintiff had received damages through “dilution” under the Unfair Competition Act section 2(1)(Da) for several reasons. The dilution action found in section 2(1)(Da) defines the illegal activity as damaging someone’s reputation or the power of distinctiveness of a mark. This dilution act originated from ‘The Federal Trademark Dilution Act’ in the U.S., to prevent infringing on a mark’s uniqueness. The estimate of popularity in the market under section 2(1)(Da) demands a stronger reputation than under section 2 (1) (Ga).

The plaintiff argued that the iPhone 3GS had acquired a strong enough reputation to be recognized as a famous trademark in the market and among customers under section 2 (1) (Da). The plaintiff also argued that the defendant’s business actions had severely damaged the plaintiff’s fame. To be protected by section 2 (1) (Da) the reputation needed to move “beyond prominence” to national fame. Therefore a trademark or design would be protected when they were used continuously, exclusively, or executively in the market. Also the designation of fame would be given as well if a trademark or design acquired through massive effort a supreme reputation, famed

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150 Boojeng gyunjengbangju mit youngupbimilbohoe gwanhan beobryul [Unfair Competition Act] No. 14033, Sept. 1, 2016, art. 2 (S. Kor.).

151 See. Han Changhee, MiDeungLok DeSine BoHoWa BooJeongGyungJeBeob, [Research about Unregistered Trade Dress and Unfair Competition Act], SangSaPanRyeYeonGuHoi [Association of Precedent Research for Commercial Law], Vol. 21-1 244, 246 (2008).

152 Supreme Court [S. Ct.], 2002Da13782, May. 14, 2004 (S. Kor.).

153 Id.

154 Id.
for discriminative features, in public. These reasons for the Supreme Court of Korea’s decision show the narrow standards of fame for product design used when requesting strong regulation of existing products.

The court recognized the plaintiff’s products had acquired the power of distinctiveness of the design. However, it did not determine fame of the design in the national market. In other words the judge did not accept the plaintiff’s argument that the design of the products secured discriminative features in public. There are four major reasons for the court’s decision. First of all, it is hard to find the plaintiff had secured exclusive reputation in the touch screen-based mobile device market because this feature had already become widespread, including among the defendant and other competitors. Second, the front design of the plaintiff’s design is too easy to find in the market to secure a supreme status for the design. Besides, although the fame of the trademark of the products was well-known among customers, the range of customers might not represent the general public in its entirety. Finally, according to a survey carried out by Gallup Korea from December 8, 2011 to December 21, 2011 among 500 citizens who ages 21 to 59 and lived in five major cities, 49.9 percent of people could not match the front design of the product to the source of the product. In this regard, the plaintiff still had not acquired a strong reputation between the design of the product and the source of the product among the general public.

To argue the issue of infringement to distinctiveness, the court needed to clarify the actions of

155 Supreme Court [S. Ct.], 2004Do651, Jan. 26, 2006, (S. Kor.).
156 Seoul Central District Court [Seoul Dist. Ct.], 2011Ga-Hap63647, Aug. 24, 2012 (S. Kor.).
157 Id.
“blurring,” which is the action of decreasing the value of a mark by an unauthorized user, or “tarnishment” which is the action of tainting the imbedded good reputation or image of a mark by others. In the Unfair Competition Act regarding ‘actions damaging one’s power of distinctiveness or reputation,’ the majority seems to include both blurring and tarnishment. Also regarding the issue, the infringement appears when the plaintiff proves the possibility of the damage from competitors.158

3. Issue for Blurring and Tarnishment

The Unfair Competition Act in Korea prohibits copying, transferring, renting, or displaying a product manufactured by another. However, this rule could be waived when the prototype of product was revealed to the public more than three years prior or when the copied product is common in the area. Section 2 (1) (Ja) was enacted in 2004 to prevent freeriding on the success of others’ products which required lots of effort and capital to make productive.159 Comparing to (Ga) and (Da), this clause does not need proof of the reasonable fame of the product, so it provides much broader range of applicability.

In contrast, this clause limits the range of protection to three years from when the product’s form was developed as a prototype. This is why the legislators tried to strike a balance between the right of the inventor and the public interest. Also, the three years must be interpreted to begin when the

prototype was invented, including for products developed abroad. When viewed based on this precedent, the iPhone launched to the public in 2007 and the defendant’s product was first sold in 2010. Therefore it might be useless to claim the right of protection under section 2 (1) (Ja).

Therefore, in order to define the dilution, the court needed to consider the issues of both blurring and tarnishment in the case. The court held that the plaintiff failed to prove damage due to the blurring of the plaintiff’s distinctiveness by the defendant’s commercial activities. Also, it was hard to find specific evidence that the defendant’s imitating advertisements tainted the plaintiff’s reputation or credit in the market. The court did not approve the plaintiff’s evidence because the connection between the increase in the plaintiff’s sales volume and the release of the defendant’s product was too broad to link to damage of the plaintiff’s reputation.

According to the court’s decision, the design shall be protected when the design shows prominence or fame and also likelihood of confusion in the market. The important thing is that these standards must be considered in regards to the entire situation of the market, not in the abstract similarity of both products. Therefore, this case means that the infringement of trade dress needs to consider the entire view of the market situation to be confirmed.

V. Recommendation

The framework discussed in the previous chapters show significant gaps between the

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160 Suwon District Court [Dist. Ct.], 2005Ka-Hap231, Apr. 1, 2005 (S. Kor.).
approaches of the two countries regarding trade dress in the actual industry. Nonetheless, these gaps provide a productive means for evaluating past measures, as well as for evaluating measures on the extent of their ability to harmonize values. Thus, the Unfair Competition Act in South Korea can be negotiated with all the relevant members. As mentioned in previous chapters, the concept of trade dress was imported from common law countries to provide more protection for design patents. Within the act, some clauses were adopted by treaty for the export of products to international markets as well. However, there are subsequent differences between the U.S. courts’ and the South Korean courts’ interpretations. This complexity allows for careful tailoring, but problems emerge alongside new technologies and it has become a worldwide issue.

The difference in view between the U.S. and South Korean law is in regard to design infringement or trade dress. In the U.S., the court decides trade dress infringement issues by non-functionality of the whole exterior. Also, the court accepts unregistered trade dress only when the pretender fulfills the elements of trade dress. The U.S. accepts the first-to-use doctrine, therefore, the U.S. court provides a broader chance than proving secondary meaning in the market to prove the power of distinctiveness. When the trade dress is able to recognize both registered and unregistered marks, blurring and tarnishment issues also apply the same standard.

In the South Korean court, in contrast, many trade dress or three-dimensional trademarks are hard to register with the Korean Patent Office (KIPO). First of all, the South Korean IP systems follow a principle of registration. Therefore, it is impossible when the right holder registers a

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162 Korea Intellectual Property Office
certain level of reputation of their product before the product is launched to the market. As a solution to these unpredictable problems when starting a business, unregistered trademarks can be protected under the Unfair Competition Act. Therefore, distinctiveness becomes the essential issue for figuring out infringement. In the foregoing cases, in South Korea the courts consistently considered practical damage and concrete likelihood of confusion in the domestic market. On the other hand, the Trademark Act decides infringement based on the similarity of the products and the trademark itself, and then infers the possibility of likelihood of confusion. Of course, compared to the Unfair Competition Act, the Trademark Act do not require finding actual damages. Therefore it is much easier to prove infringement. In other words, taking into account the difficulty of practical substantiation, most parts of trade dress infringement were more particular than in the United States.

There seems to be a need for specific standards for trade dress which is composed of individual designs. This is an essential problem for practical cases in which a certain part of the design was damaged, requiring the court to decide on the infringement to the whole trade dress. The courts in the U.S. and South Korea continuously announce that trade dress protects the whole appearance of products and therefore infringement needs to be decided by considering the entire view. However, it seems to be vague at times, how certain infringements damaged the trade dress as a whole. Therefore, the courts need to present correlations between trade dress damage and design infringements.

The greatest concern for trademarks including trade dress is eternal exclusive rights to a certain product design. In other words, because of trademarks’ ten year renewal there may be a risk for
monopolization of the design of useful products.\textsuperscript{163} This risk is able to distort the temporary compensation ruled by utility patents, design patents, or copyrights, not to reward the individual, but for the advancement of the arts and sciences.\textsuperscript{164} Regarding the purpose of trademarks, the standards were also decided in order to encourage production of products of high quality while simultaneously discouraging the use of the same or similar marks in a way that confuses the public about the actual source of the goods or service.\textsuperscript{165} In this way, the courts and politicians take care of the balance between trade dress and other intellectual properties.

In the functionality issue, there is no reason that non-functionality is an essential element of trade dress. According to Traffix, allowing competitors to copy will have salutary effects in many instances. ‘Reverse engineering’ often leads to significant advances in technology.\textsuperscript{166} It is very difficult to measure non-functionality in the market, where the relevant area is a certain products’ necessity.\textsuperscript{167} In order to determine competitive necessity, it is necessary to suggest competitors as alternatives.\textsuperscript{168} Therefore, the range of the market would influence how the court decides functionality.\textsuperscript{169} Therefore, the analysis becomes very subjective; courts may decide whether the design should be considered functional and then define the market accordingly in order to make it

\begin{thebibliography}{9}
\bibitem{Cohen} Cohen, \textit{supra} note at 695.
\bibitem{Lund} I.P. Lund Trading Aps & Kroin, 163 F.3d at 27.
\bibitem{TrafFix} Eppendorf-Netheler-Hinz, 289 F.3d at 355 (5th Cir. 2002) (citing at Traffix).
\bibitem{Dippin} Dippin’ Dots, Inc. v. Frosty Bites Distrib. LLC, 369 F.3d 1197(11th Cir. Ga. 2004).
\bibitem{Id} \textit{Id.} at1200
\end{thebibliography}
Therefore a factor for consideration to help this issue would be a clarified and stabilized competitive necessity test.

The ‘blurring’ issue is also quite different between the U.S. and South Korea. According to the Lanham Act, the blurring clause is applicable regardless of the registration of the trademark. In South Korea, blurring cases are categorized so that blurring is the subject of the issue of being well-known. However, it is not applicable to registered trade dress or trademarks, because the Trademark Act does not include blurring in the Act. It seems natural that the Trademark Act in South Korea focuses on the mark itself, and therefore does not care about the factual elements to determine infringement. Instead the factual damages or questions of the trademark are protected by the Unfair Competition Act. It appears that the benefits of separation relate more to expertise of the area.

The debates in the case show the urgent need to look back and compare international flows of the trademark industry. The current law bars new forms and uses of trade dress in the market in South Korea. Thus, it needs to change as an efficiency-enhancing law, solving a discrete problem in line with the purposes of flexibility to encourage innovation more efficiently. This study’s most important finding is that many trademarks have been connected around the world to

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170 Barrett, *supra* note 155 at 484.

171 See, Section 43(c)(2)(B) of the Lanham Act.

172 According to statics announced by KIPO (Korea Intellectual Property Office) in 2015, the number of registered trade dress was 134. The amount of trade dress takes 3% of possession total amount of registered trademarks (5054) in 2015, available at http://www.kipo.go.kr/kpo/user.tdf?a=user.html.HtmlApp&c=6004&catmenu=m07_02_01 (last visited Dec. 4, 2016).
However, there may yet be cause for concern too. Because the Trademark Act and the Unfair Competition Law were designed to enhance the domestic industry and protect the profits of individuals. In this regard, the trade dress should also advance to a balance-oriented method between consumers and inventors of products. Thus, the two main issues of distinctiveness and non-functionality in trade dress should be refined clearly in the court and in studies. Ultimately, the two biggest trade dress organizations, WIPO and WTO, are expected to provide guide on these concepts as an international standard, because these organizations were built to acquire more and more trademarks around the world through gathering treaties between countries. It is also expected to reproduce data about each country’s rules or doctrines relating to their unique industrial background. By doing, this every country would have easy access to understand situations and then figure out better ways to promote commerce through trading.

As the foregoing discussion notes, another solution would be led by policymakers provide effective remedies to problems. What must be considered is how policymakers can efficiently encourage and guide that kind of work. The most obvious mechanism to encourage trade dress that has been discussed is to expand trade dress to be broader than current registration. When it comes to the low percentage of trade dress compared to trademark as a whole, a broader standard for trade dress would hopefully provide reasonable choice for consumers. Thus, solutions necessarily

173 See. WIPO, supra note 10 at 17..

involve political goodwill to get adopted with moderate solutions.

The most obvious methodology is to encourage trade dress that has been discussed and studied in the literature. This continuous research needs to be transferred to the court’s decisions soon and hopefully it will lower the price when the proper right holder keeps his own profits. In a more targeted way, some business arguments conflicting between American and South Korean companies also result from a misunderstanding of each legal system. While these different views or ideas are valuable, it is important to give solutions that are relative to each country. Thus, solutions may have to gather the necessary political goodwill to get adopted moderately. Therefore, the research should proceed toward alternative policy measures that are more moderate and more focused on addressing unreasonable problems in the international flow.

The last step is also for the regulating bureaus, like the Trademark Office, to guide people to encourage and validate using the trade dress in the view of public interests. Trade dress provides a useful replenishment for the short protection period of design patents. Trade dress cannot replace the design patent. However, it is able to compensate for the effort for long-lasting products and design, while also protecting the public from low-quality products that free ride on others’ good reputations. As South Korea’s industry matures, considerations for the designs of products still have value after the design patent protection ends.

From a political perspective, policymakers can take the brave step of promoting and supporting trade dress. As the Apple v. Samsung case shows, the influences of design seem to be as highly
important as patents. By tailoring the system of trade dress to be practical for real industry, the
legal field would promote a convenient lifestyle to the public. Moreover, these changes need to be
made moderately, considering the international flow and domestic needs, and not forced by
government. Good rules are always made through plenty of discussion and debates. If not, the
good intentions of rule will only be locked in the code book.

VI. Conclusion

The business of product design and branding has changed dramatically in recent years and
trademark law has made significant strides to keep up. Clearly the U.S. Supreme Court’s decisions
and U.S. Circuit Court opinions about unfair competition in section 43(a) of the Lanham Act
provide protection for product configuration in trade dress. The functionality standard has been
central to many cases in U.S. courts too. These Circuit Court decisions focused on ensuring that
section 43(a) of the Lanham Act does not become a substitute for patent or copyright protection
for the product’s features and does not undermine Congress’ purpose in enacting the patent and
copyright laws. U.S. courts have given clear guidance on the strict standards for inherent
distinctiveness in product design and the likelihood of confusion regarding copying of product
features.

175 See in general supra note 39.
176 Barrett, supra note 155 at 507.
177 Stuart Hall Co. v. Ampad Corp., 51 F.3d 780 787, (8th Cir. 1995).
It should come as no surprise that the problems of trade dress are more complex than described above. As written in the thesis, trade dress protection implicates a diverse range of issues and it is highly dependent on jurisdiction, legal system, time, and country. Indeed, the shape of disputes between global companies has been influenced by the particular technological, economic, and political circumstances that inspired both countries. Also these conflicts might become worse and larger when we consider the growing global markets.

In this regard, *Apple v. Samsung* is meaningful for comparing the different legal systems between the U.S. and South Korea. Each country’s trade dress protection begins from a totally different point: in the U.S., the ‘first to use system’ and in South Korean, the ‘principle of registration’. This is why in the U.S., relevant legislation reflects earlier common law, while in the case of South Korea, Civil law applies. Ignorance of these gaps on the part of companies from different countries has led to disputes. However, as globalization continues to grow faster, trademark systems are also changing. Many globally leading countries have started to unify their trademark registration via conventions and protocols. Nowadays WIPO has applicants located in 114 countries or territories. In its Trademark Act, South Korea accepted many rules set by U.S. courts and federal acts by transferring the code into the Trademark Act and Unfair Competition Acts in South Korea, in order to catch up with the globalization trends. Ironically, the trade dress system is pretty different between the two countries, however they protect the same rights accordingly.

178 WIPO, supra note 10 at 35.
One might view, in regard to non-functionality, South Korean courts take a very passive position. This phenomenon comes from a lack of experience regarding trade dress. At first, trade dress was adopted quickly to follow international trends and multinational trade treaties. Therefore, it was unfamiliar to companies and individuals who are the subjects of trademark rights. The South Korean courts and Trademark office also hesitate to grant trade dress rights, so the number of trade dress registrations is very low compared to normal trademarks. As a result, precedents regarding trade dress are naturally very rare in real situations. It is very difficult to measure non-functionality in the market where the relevant area is a certain products’ necessity. It is necessary to settle non-functionality rule in trade dress and the courts need to consider a clarified and stabilized competitive test in precedents.

Ultimately, multinational conflicts could be best resolved by modifying how the law is applied. This measure is possible legally under the international agreements and organizations guiding a consistent movement for intellectual property. Of course, acceptable negotiated agreements should include enough flexibility for many countries and should attempt enough discussions. It seems natural for international organizations to lead the trend. In addition, the approach should include analysis of how well local values are respected and balanced under the international unification. The global unification by the global organizations may acknowledge and honor the development of increasing harmonization of laws. In this regard, the expansion of WIPO bodes well. Therefore, there is enough room for improvement in the law if the tailoring mechanism is undertaken in a way that minimizes harm to concerns of certainty, fairness, economy, and public choice.

To decrease multinational legal conflicts, those subject to trademark laws should discuss the
general value of trade dress. Regarding the purpose of trademarks, the standards were also
developed to encourage the production of high-quality products and to simultaneously discourage
the use of the same or similar marks in a way that confuses the public about the actual source of
the goods or service.\textsuperscript{179} Our society and industry penetrate the dramatically changing global
trademark economy. However, the main purpose for trademarks is still valuable in this new world.
In this acquisitive society, the drive for monopoly may make people try to patent the wheel,
copyright the alphabet, and register the sun and moon as exclusive trademarks.\textsuperscript{180} And there is no
doubt that this is against the public interest as a purpose of intellectual property.

According to the research on different trademark systems, the trademark has extended its legal
range consistently to include domestic or international issues. Therefore, the way for trade dress
to move forward in both ways is with enough communication among lawmakers, rights holders,
and nations. The global movement toward more harmonized trademark and trade dress protection
must regard the participation of multiple right holders in impartial and fair ways.

\textsuperscript{179} I.P. Lund Trading Aps & Kroin, 163 F.3d at 27.

\textsuperscript{180} See. Ralph S. Brown, Jr., \textit{Advertising and the Public Interest Legal Protection of Trade Symbols}, 57 YALE L.J.
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