

Message from the Commissioner

Intellectual property rights (IPRs) are rapidly becoming an essential component of society as we progress into the creative and innovative era of the Fourth Industrial Revolution (4IR). In order to further promote economic development and innovative growth, the Korean Intellectual Property Office (KIPO) of the Republic of Korea has continually worked to provide improved examination services to users and to cultivate a virtuous cycle for the creation, utilization and protection of IPRs. Meanwhile, as one of the world's highest performing IP offices, we remain committed to actively engaging in international cooperation and contributing to the global IP society.

In particular, for the year 2019, a few distinctive administrative measures have been carried out. This includes an organizational restructuring with the aim of providing high-qualified examination services, especially for emerging technologies such as artificial intelligence (AI) and big data. Also, examination for inventions of technological convergence was implemented which is conducted based on the consultation and consensus of examiners from different technological fields. Several new patent classifications for technologies of the 4IR were established and made eligible for the accelerated examination system as well.

For IP creation, great efforts were made to link government research and development (R&D) projects with IPRs. Beyond the concept that patents are only a product of R&D, patents have been utilized to select and direct R&D projects, especially with big data analysis based on about 430 million patent-related information. R&D projects based on IP will lead to the creation of high value-added standard essential patents and the promotion of industrial development. To support government R&D performance, big data analysis of patent-related information was provided with a focus on key industries, such as bio-health and next-generation batteries.

Particularly in the financial sector, one of KIPO's steadfast pursuits is to provide small and medium-sized enterprises (SMEs) with opportunities for IP-backed financing. This will allow them to procure funds through loans, guarantees and investments based on IP assets. Through cooperation between KIPO and financial institutions, the total transactions for IP-backed financing surpassed 1 trillion South Korean won (approx. 1 billion US dollars) for the first time. This significant quantity indicates that businesses and financial institutions are becoming increasingly aware that IPRs play an important role in corporate management. Furthermore, the Patent Mutual Aid program was launched in 2019 for SMEs to prepare financial means when coping with the unexpected costs of IP dispute resolution and filing overseas IPR applications.

Moreover, several proposed legislative amendments came into full effect to strengthen IP protection and create a fair trade order. The scope of investigative authority of KIPO's special judicial police (SJP) on trademarks was expanded to enforcement of infringements on patents, trade secrets, and industrial designs. Courts were authorized to award damages as punitive measures up to three times the amount of actual damages for intentional acts of patent infringement and/or misappropriation of trade secrets. For your reference, damages will also be awarded for amounts exceeding the production capacity of the patent rights holder by the end of 2020 through recent amendment to the Patent Act. By expanding the scope of damages for infringement of patents, Korea will be the only country even among the IP5 countries to stipulate in law this method of calculation of damages as well as treble damages for patent infringement.

On a global scale, we engaged in cooperation with other IP offices and foreign entities to help create a progressive and secure global IP system by sharing Korea's vast experiences and knowledge.

In June, KIPO hosted the 12th IP5 Heads of Office meeting, a forum of the world's five leading IP offices (EPO, JPO, KIPO, CNIPA, and USPTO). The IP5 members agreed to launch a joint task force for exploring collaborative approaches to AI and other emerging innovative technologies. In November, the 2nd Korea-ASEAN Heads of IP Offices Meeting was held also in the Republic of Korea which set a milestone in the march toward co-prosperity through IP cooperation. Furthermore, KIPO's IP services have been well known to be leading-edge and high quality. With reference to these best practices, KIPO cooperated with the Kingdom of Saudi Arabia to establish an IP administrative system and services.

After the patent system was first established in 1946, one million patents were registered in 2010 and the amount has doubled in just nine years. The Republic of Korea became the 7th country in the world to surpass 2 million patent registrations by 2019. Such momentous achievement was possible due to the continued interest and support of our numerous stakeholders and IP service users, both foreign and domestic.

It is our endeavor to create an ecosystem where the value of IP is fully appreciated and IP commercialization is activated. This IP-friendly ecosystem will bring about a virtuous cycle of economic development and the innovative growth. It is my great pleasure to present to you the 2019 Annual Report. I hope it serves to provide you with a better understanding of our recent projects and overarching vision for the future.

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Kim Yong Rae | Commissioner

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