It is a great pleasure to announce the publication of the Korea IP News Quarterly, a newsletter that will keep international readers informed of the achievements of the Korean government with respect to Korea’s intellectual property (IP) administration.

Since the founding of the Korean Intellectual Property Office in March 1977, KIPO has continually endeavored to innovate and upgrade itself in order to offer the best IP administrative service in the world.

The total number of IP applications in the Republic of Korea was mere 25,000 in 1997. By last year, this number had increased dramatically to more than 370,000, making Korea the fourth largest country for IP application in the world. Moreover, the period for examining patents on a first-action basis, which averaged 36.9 months in 1996, has been drastically shortened. With last year’s average of 9.8 months, we now have the fastest patent examination service in the world.

The quality of patent examinations has been significantly enhanced as well. For example, since KIPO was designated as an International Searching Authority by the World Intellectual Property Organization (WIPO) in 1997, there has been an increase in the number of foreign companies, such as Microsoft, whose requests to conduct international patent searches instead of using their own domestic IP offices. Furthermore, last year we conducted 3,900 international searches, which was the fourth highest number out of the 13 International Searching Authorities behind the European Patent Office, the Japan Patent Office, and the United States Patent and Trademark Office. To promote the protection and development of IP at a global level, KIPO is also engaged in various bilateral and multilateral forms of cooperation with international organizations such as WIPO and APEC, as well as with numerous other countries.

The global role and responsibility of KIPO has increased significantly as a result of our recent achievements, which have been remarkable from a qualitative and quantitative perspective. In spite of that success, there has been a problem with providing information about Korea’s IP administration. To remedy this problem, we are now launching the very first issue of the Korea IP News Quarterly.

The Korea IP News Quarterly will comprehensively cover the major activities and information from all the IP-related governmental institutions in Korea, such as the Korea Customs Service, the Ministry of Justice, the Korea Customs Service, the Ministry of Culture and Tourism, and the Ministry of Agriculture and Forestry. In addition, it will also feature a variety of articles for international readers who are interested in Korean IP administration. To remedy this problem, we are now launching the very first issue of the Korea IP News Quarterly.

Finally, I sincerely hope that all international readers will continue to take a deep and lasting interest in the Korea IP News Quarterly. Thank you very much.

September 2007

Sang-Woo Jun
Commissioner
Korean Intellectual Property Office
Commissioner strengthens international ties at the WIPO General Assembly

Commissioner Sang-Woo Jun of the Korean Intellectual Property Office (KIPO) will attend the Forty-third Series of Meetings of the Assemblies of the Member States of the World Intellectual Property Organization (WIPO), which commences on September 24 in Geneva, Switzerland. At the opening ceremony, Commissioner Jun will deliver a keynote address, during which he will seek support for the inclusion of the Korean language as one of the official languages of publication in the Regulations under the Patent Cooperation Treaty (PCT).

KIPO will also introduce and strongly promote an e-learning module called IP Panorama, which will be set up for display in a booth at the Geneva meetings. In addition, Commissioner Jun will hold bilateral meetings with the US, Japan, China and Denmark and participate in the Meeting of Heads of Patent Offices, which includes the heads of the European Patent Office, the Japan Patent Office, the State Intellectual Property Office of the People’s Republic of China, and the United States Patent and Trademark Office (USPTO).

On September 25, Commissioner Jun will sign a memorandum of understanding on cooperation of establishment of an IP automation system between Korea and Indonesia. In the bilateral meeting with the USPTO, Commissioner Jun discussed how to firmly establish the Patent Prosecution Highway System between the two countries on the basis of the results of a pilot phase. He will also discuss with his counterpart, Mr. Jon Dudas, the issue of US support for Korea’s proposal to have Korea included as a language of publication in the PCT regulations. The two heads will also discuss other important issues such as the reduction of PCT fees and the exchange and training of KIPO and USPTO examiners. The agenda of the Meeting of Heads of Patent Offices includes a number of issues that are crucial for improving the international patent system, such as the backlog of examinations, the problems and future expectations with regard to the PCT system, and the mutual utilization of examination results.

By adopting a memorandum of understanding with Indonesia, Commissioner Jun will promote cooperation with Indonesia, particularly on intellectual property education and on the funding and establishment of a patent information system. Commissioner Jun’s active participation in the Forty-third Series of Meetings at Geneva and in various other meetings with leaders of the intellectual property field is expected to be a catalyst for a host of vigorous activities and tangible achievements on a bilateral and multilateral basis.

Amended Patent Act and Utility Model Act take effect

From July 1, inventors may apply for a patent without claims and delay submission of claims. As long as the applicant submits the claims until the time he/she requests the patent examination or one and a half years elapses since the application, the application is regarded as having been applied at the time of application. Thanks to this new system, inventors (37% of whom are individuals or small- or mid-sized enterprises) may file easier patent applications and have ample time to prepare well-elaborated claims.

Now that the application date may be regarded still effective without submission of claims, the system makes it easier for inventors to precopy a faster application date and eventually a faster patent right. Secondly, a patent examiner shall examine all the claims. When the examiner notifies a rejection of an application, the examiner shall state concrete reasons for all the claims to be rejected. Now, applicants can figure out all the claims to be rejected and their reasons, so they can easily respond in order to earn the patent rights by either abandoning or supplementing some of claims.

Third, in order to enable a fast patent application process, an examiner may make a decision whether to register the applied patent even before other documents are turned in if the applicant has such an intention. Finally, 203 different kinds of document forms required for a patent application were unified and abolished to 63 kinds to simplify the patent application process. Now customers can receive an easier, faster and more convenient IP administration service.

On-line exchange of priority documents

KIPO plans to undertake seven activities for developing countries and least developed countries. The activities include the promotion of modern intellectual property administration through national projects, study visits, and so on; capacity building through a workshop for the least developed countries; the development of patent mapping modules; and a workshop on the effective use of the Patent Cooperation Treaty system.

The economic development of the Republic of Korea is attributed in small measure to innovative IP administration and the establishment of an IP infrastructure. To share the experience of such development with developing countries and the least developed countries (LDCs), the Korean Intellectual Property Office (KIPO) established a special fund at the World Intellectual Property Organization (WIPO) in 2004. Called the Korea Funds-in-Trust, the fund has been used over the past four fiscal years to make voluntary contributions to KIPO projects worth KRW2.5 billion (US$2.7 million). Thus far KIPO has conducted 22 activities in support of 50 developing countries and LDCs. Seven more activities will be undertaken in the current fiscal year (ending June 2008). Examples of those activities include study visits, workshops, and support projects for national IP offices.

Introduction of KIPO’s Funds-In-Trust activities

KIPO will do its best to promote patent administration, protect international IP rights, and raise the international status of Korea, by strengthening international cooperation with WIPO, as well as with developing countries and LDCs.

The major activities to date can be summarized as follows:

- Raising IP awareness through nine projects, such as seminars, workshops, consultations, and study visits
- Strengthening the IP infrastructure through four projects, such as the establishment of IP information centers, support for free patent information search services, and the distribution of IP manuals
- Creating an environment for worldwide protection of IP through nine projects, such as developing and deploying administrative software for offices designated as receiving offices under the Patent Cooperation Treaty (PCT-ROD), and holding seminars and workshops on the PCT and Madrid systems.

These efforts have earned KIPO a good reputation among the member states of WIPO. Furthermore, KIPO will do its best to promote patent administration, protect international IP rights, and raise the international status of Korea, by strengthening international cooperation with WIPO, as well as with developing countries and LDCs.

Commissioner strengthens international ties at the WIPO General Assembly

Thanks to amendment of the Patent Act and the Utility Model Act and their entrance into force beginning July 1, a revised patent administration system was introduced that can promote better customer satisfaction and convenience in IP administration.

On-line exchange of priority documents

KIPO plans to keep improving its patent administrative services by extending the on-line exchange of priority documents with other countries.

However, as a result of the agreement between KIPO and EPO, you only need to enter the priority claim number, and KIPO and the EPO will find the relevant documents and exchange them on-line for you.

KIPO and the Japan Patent Office have been exchanging priority documents on-line since August 2002. As in that case, the adoption of the system between KIPO and the EPO is expected to alleviate the cost and administrative burden and enhance the convenience of applicants.

On-line exchange of priority documents

Depending on the outcome of this agreement, KIPO plans to keep improving its patent administrative services by extending the on-line exchange of priority documents with other countries.
Korea-US Patent Prosecution Highway

The Patent Prosecution Highway has the potential to significantly shorten the examination period and to drastically reduce the social and economic expenses of the applicant.

The Korean Intellectual Property Office (KIPO) and the United States Patent and Trademark Office (USPTO) have agreed to operate a system called the Patent Prosecution Highway on a pilot basis, beginning January 1, 2008. The Patent Prosecution Highway is a priority system for patents application filed at both KIPO and the USPTO. When either office decides that an application is patentable, the other office will expedite the examination of that application by utilizing the examination results of the first office.

This agreement on the Patent Prosecution Highway is the second such agreement that KIPO has signed with an advanced country—the first being with the Japan Patent Office (JPO). The American agreement highlights the KIPO’s recognition of KIPO’s examination quality as well as its heightened status in the global intellectual property community.

The USPTO’s patent examination period (on a first-action basis) currently averages 22.6 months. However, the Patent Prosecution Highway has the potential to significantly shorten the examination period and to drastically reduce the social and economic expenses of the applicant.

Launch of IP Panorama at the WIPO General Assembly

The initiative in e-learning gives birth to IP Panorama.

At the Forty-third Series of Meetings of the Assemblies of the Member States of the World Intellectual Property Organization (WIPO) in Geneva, WIPO and the Korean Intellectual Property Office (KIPO) will officially release and promote IP Panorama, an on-line interactive multimedia program.

CD-ROMs containing all ten modules of IP Panorama will be distributed to all the members during the assembly meetings. In addition, from September 24 to 26, IP Panorama will be displayed in a showroom on the main floor of the WIPO headquarters.

This e-learning program was jointly developed by WIPO and KIPO, with technical assistance from the Korea Invention Promotion Association (KIPA). The aim of the program is to help small and medium-sized enterprises utilize and manage intellectual property (IP) in their business strategy. IP Panorama focuses more on practical IP knowledge rather than legal knowledge, as practical expertise is especially useful for adapting to real business situations. The ten modules of IP Panorama cover patents, trademarks, industrial designs, trade secrets, copyrights, technology licensing, IPA auditing, and IP and international trade. The program combines state-of-the-art computer technology with instructional design technology, that is, it is based on the so-called storytelling technology.

Various IP offices, such as those of Thailand and Hong Kong, are interested in converting IP Panorama into their own language, and WIPO and KIPO are eager to cooperate on any such project.

In Korea, IP Panorama has already been used as an advanced form of teaching in the field of IP. Fifty-four patent attorneys have acquired a certificate after studying the IP Panorama program and they have given positive feedback. The regard of IP experts reflects the value of IP Panorama as a teaching material. IP Panorama is expected to be used in the fall semester of 2007 at several colleges. The Korea University and Yonsei University, which are among the top five universities in Korea, have decided to launch a credit course to enhance the IP knowledge of their students.

KIPO and WIPO will distribute IP Panorama around the world. It will be available at the IP Academy (www.ipacademy.net), which is operated by KIPO and KIPA, and at the SME Web site of WIPO (www.wipo.int/sme).

The Korea Customs Service hosted the 2007 Counterfeit Comparison Exhibition at COEX, Seoul, from July 24 to 26, to protect the rights of customers and the owners of intellectual property and to establish a sound environment for commercial transactions. The various displays enabled the public to compare authentic and counterfeit versions of everyday goods.

A thousand items bearing 51 different brand names were displayed in 33 booths. The displayed items included fake versions of globally recognized fashion brands, such as Gucci, Louis Vuitton and Armani. Infringements of design rights and patent rights were clearly evident in numerous everyday items such as medicines, athletic equipment, and spare parts for cars and motorcycles.

The exhibition helped participants to carefully tell the difference between authentic items and counterfeit items. It also raised public awareness of the abuses caused by counterfeit goods. Participants were given the opportunity of learning how to appreciate authentic products and how to avoid being fooled by the elaborateness of counterfeit goods.

A survey confirms that 86% of the 1472 participants felt that the exhibition was helpful for identifying counterfeit items. The portion of respondents who said they still intended to buy counterfeit goods after the exhibition fell from 33% to 16%.

The Korea Customs Service organized anti-counterfeiting investigation teams and conducted the Fake Fee Project to seize a vast amount of counterfeit goods.

The Korea Customs Service formed 57 anti-counterfeiting teams from a staff of 140 officials, whose exclusive aim is to seize counterfeit goods under an intensive seizure campaign code-named the Fake Fee Project. The project commenced last year and was repeated again this year.

This year the Fake Fee Project unearthed 320 counterfeit cases worth an estimated value of KRW114.7 billion. In comparison with last year’s results, these figures represent a 12% reduction of cases and a 70% reduction in the estimated value of the seized goods.

If we analyze the project results by type, we can see that imported freight constitutes the largest portion (315 cases, 98%), followed by exporting freight (four cases) and transshipment freight (one case).

In terms of specific items seized, clothing made up the largest portion (137 cases, 42%), followed by bags (51 cases, 16%) and watches (37 cases, 11%). The most valuable items were watches (KRW58.5 billion, 40%), presumably because authentic watches are expensive; the watches were followed by clothing (KRW48.7 billion, 32%) and bags (KRW205.8 billion, 19%).

The most frequently counterfeited brand names were Rolex (KRW26.6 billion), Louis Vuitton (KRW22.8 billion), Adidas (KRW9.5 billion) and Armani (KRW9.2 billion).

The USPTO’s patent examination period (on a first-action basis) currently averages 22.6 months. However, the Patent Prosecution Highway has the potential to significantly shorten the examination period and to drastically reduce the social and economic expenses of the applicant.

The fake fee project: a crackdown on counterfeit goods

The Korea Customs Service operated a credit course to enhance the IP knowledge of their students.

In Korea, IP Panorama has already been used as an advanced form of teaching in the field of IP. Fifty-four patent attorneys have acquired a certificate after studying the IP Panorama program and they have given positive feedback. The regard of IP experts reflects the value of IP Panorama as a teaching material. IP Panorama is expected to be used in the fall semester of 2007 at several colleges. The Korea University and Yonsei University, which are among the top five universities in Korea, have decided to launch a credit course to enhance the IP knowledge of their students.

The Korea Customs Service operated a credit course to enhance the IP knowledge of their students.

The fake fee project: a crackdown on counterfeit goods

The Korea Customs Service operated a credit course to enhance the IP knowledge of their students.

The fake fee project: a crackdown on counterfeit goods

The Korea Customs Service operated a credit course to enhance the IP knowledge of their students.
Contest on user-created content highlights intellectual property rights

The best way of minimizing the demand for counterfeit goods is to educate the public on the economic loss caused by counterfeit goods.

To enhance public awareness of intellectual property rights (IPRs), the Korea Customs Service hosted a public contest on user-created content (UCC) around the theme of IPR protection. The first prize, out of 231 posts, was awarded to Mr. Hong Joon Kim from the Masan Customs Office, for his post titled, “My mind is the excellent product which overcame the temptation of counterfeit goods.”

The best works will be registered on the Web site of the Korea Customs Service and displayed on public bulletin boards at airports nationwide, where they will be used to promote public awareness of IPRs.

Earlier in the year, from May 4 to 16, the Korea Customs Service ran a poster contest among its staff on the theme of IPR protection. The first prize won by Mr. Hong Joon Kim from the Masan Customs Office.

Detection of intellectual property offences (January to July 2007)

Between January and July 2007, the Ministry of Justice was responsible for the detection of 19,390 cases of counterfeiting, involving 25,645 persons, of whom 362 were arrested for infringement of Korea’s intellectual property laws. Compared with 2006, the number of persons detected in counterfeit activities dropped by 31% (37,146 persons) and the number of persons arrested fell by 54% (787 persons).

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International meeting scheduled for the latter half of 2007

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<tr>
<th>Name</th>
<th>Date</th>
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<th>Contact No.</th>
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<td>Competent Authorities Meeting on IPR Protection</td>
<td>September or October</td>
<td>Ministry of Justice, Supreme Prosecutors’ Office, Seoul Central District Prosecutors’ Office, US Embassy, American Chamber of Commerce, European Commission’s Delegation to the Republic of Korea, European Union Chamber of Commerce, Japanese Embassy, Seoul Japan Club, Japan External Trade Organization</td>
<td>International Criminal Affairs Division of the Ministry of Justice</td>
<td>Jang Jeong Ho</td>
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IP Protection and Enforcement News

Copyright and Other News

Amendment and Enforcement of the Copyright Act in the digital era

The Act strengthens the protection of on-line and off-line copyrights by imposing greater responsibility on on-line service providers.

The Ministry of Culture and Tourism announces measures to eradicate products that infringe copyrights.

Public awareness of copyright issues is negligible, and these industries can be seriously damaged by unlawful reproduction of copyright material.

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On 22 August 2007, the Ministry of Culture and Tourism announced new measures for eradicating products that infringe copyrights. Copyright-related industries, such as the film, music and game industries, are expanding each year in the knowledge society of the 21st century. However, public awareness of copyright issues is negligible, and these industries can be seriously damaged by unlawful reproduction of copyright material.

So, the Ministry of Culture and Tourism prepared and announced the following measures to eradicate the products that infringe copyrights:

1. Increasing public awareness of copyright protection through various media campaigns on the theme of banning unlawful reproduction, operating an on-line copyright class for youths (http://137.68.317.13/library/copyright.or.kr) and establishing a pool of copyright instructors; through consultation with the Ministry of Justice, such classes may offer suitable education for offenders in lieu of prosecution.
2. Creating a convenient environment for using copyright-related products by expanding the establishment of a comprehensive approval system for the use of copyright material and a copyright-free Web site (http://freeuse.copyright.or.kr).
3. Establishing a system of preventing copyright infringements by strengthening preliminary functions that promote the settlement of disputes, for instance through the provision of copyright guidelines, the establishment of a system for tracking unlawful copyright products, and the introduction of a governmental mediation system.
4. Conducting intensive seizures of unlawfully produced DVDs in crackdowns conducted jointly with the Public Prosecutor’s Office, the National Police Agency and the Ministry of Culture and Tourism; and giving positive consideration to the introduction of special jurisdiction and police authority to facilitate the conducting of exclusive and fast criminal investigations in the copyright area.
5. Requiring special on-line service providers to set up a filtering that minimizes unlawful transmission of on-line services; and imposing fines for breaches of this requirement.

The Ministry of Culture and Tourism predicts a sales increase of about KRW3 trillion by 2010 and the creation of new jobs for 50,000 people following the eradication of unlawful reproductions in the film, music and game industries. Furthermore, in the related manufacturing and service industries, sales are expected to exceed KRW5 trillion and new jobs are likely to number more than 70,000.

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