

2001 Annual Report



Korean Intellectual Property Office



KIPRO

Foreword

In the knowledge-based age of the 21st century, governments and companies need to enhance their strategic efforts to create and increase intellectual property (IP), with an emphasis on its social and economic role. The protection and creation of intellectual property rights (IPRs) has become a driving force in the highly competitive global economy.

In recognition of its crucial role, KIPO has stepped up its wide-ranging efforts, far beyond the traditional role of conducting examinations, with a view to promoting the use of IPRs in the public and private sectors. KIPO stands at the forefront of motivating the nation's inventive and innovative potential as well as providing a firm nation-wide basis for sustainable wealth creation through the IPR system.

Among other things, nurturing the inventiveness of the Korean people, building up an IP-mart for connecting IP owners with business angels, staging an IPR acquisition campaign for SMEs, intensifying commercialization and strengthening examination capacity have been some of the priorities at KIPO.

KIPO has also endeavored to realize the goal of establishing a secure and convenient e-Office. In particular, through the successful operation of an online IPO system named KIPOnet, it has, in response to varied customer demands, set up a customer-focused IP administration in cyberspace. We believe that these efforts to improve the IP infrastructure will provide a valuable foundation for enhancing national competitiveness in the future.

KIPO has actively participated in international efforts to harmonize the IPR system around the world and to establish a global patent system. By striving to build cooperative relationships with other IP offices, KIPO hopes to achieve a more cost-effective and streamlined IPR system which facilitates international trade and economic growth.

Lastly, I hope this material will be useful for gaining a better understanding of the current IP system in the Republic of Korea, and for identifying some areas in which cooperation is needed as we envision a more global and customer-friendly IPR system for the future.

Thank you.



Gwang-lim KIM, Ph.D
Commissioner



I Introduction to KIPO



KIPO has implemented the 「Comprehensive IP Administration Innovation Plan」 in order to progressively cope with the knowledge-information era and to play a leading role in the knowledge-based society.

1. KIPO's Recent Developments (2001)

In the information revolution age, society is woven together by a digital neural network; every nation is striving to learn how to exist and survive in a fiercely competitive world. Intellectual property rights are one of the vital neural networks. Where enormous royalties are transacted internationally, intellectual property management strategy is indispensable for determining the success of entrepreneurial and national management.

In coping with such a situation, KIPO has set its priorities on establishing an IP-related legal framework with equitable and efficient IPR protection and infringement prevention, as well as inducing technological innovation, and creating a friendly environment for direct foreign investment and trade growth.

Under the above policy direction, KIPO has made many efforts in 2001. While maintaining its low pendency period at a world class level, KIPO has endeavored to improve the quality of its examinations by employing long-term specialists as classification examiners, enhancing information accessibility and expertise by encouraging examiners to participate in professional academic societies, by expanding the outsourcing of searches and by launching the outsourcing of the IPC classification operation.

KIPO has introduced an Internet based online filing system, the first of its kind in the world, and has opened the era of home applications. In this way, KIPO strives to realize a Cyber IP office, in fact as well as in name. By adapting to the changing international IP environment, which has witnessed the emergence of the Patent Law Treaty, KIPO has established the Third Three-Year Computerization Plan for IP Administration (2002~2004) in order to develop the next generation of KIPOnet.



KIPO opened its "IP Customer Call Center" on March 20, 2002, which allows users to find solutions to their needs by one call or one click.

In addition, KIPO has strengthened its IPR protection activities such as anti-counterfeiting operations against the manufacturing and circulation of counterfeit products. Through the mass media and public-sponsored education, KIPO has extensively promoted public IPR's awareness nation wide and highlighted the criminality of circulating counterfeit products. It has also revised the Unfair Competition Prevention and Trade Secret Protection Law to provide a scale of damages. Under the revised Law, harming the reputation and distinctiveness of well-known trademarks is considered an act of unfair competition. In order to eradicate the circulation of counterfeit products, KIPO has made strenuous efforts, including a crackdown on IPR infringements in international trade.

2. Recent Trends in the IP Field at Home and Overseas

In 2001, KIPO received a total of 287,759 IPR applications. This figure represents a 1.6% increase from the 283,087 applications in 2000 – the highest number in KIPO's history. More than anything else, the increase reflects the reviving of the Korean economy which primarily results from structural reforms in the financial sector, the corporate sector, the labor market and the public sector. Driven by the recovery of the Korean economy, the application rate is expected to be on the increase in the future.

In December 1999, KIPO began its function, under the Patent Cooperation Treaty (PCT), as an International Search Authority (ISA) and an International Preliminary Examination Authority (IPEA). During the year 2001, KIPO received 2,314 PCT applications; it performed 1,939 international searches and 970 international preliminary examinations. These figures show increases 47%, 51% from the previous year and 139% respectively. KIPO's outstanding growth in the PCT field is expected to continue. In addition, KIPO embarked its function as a designated ISA and IPEA by Intellectual Property Office of the Philippines in last August.

II 2001 Highlights



In 2001, KIPO received a record high 287,759 IPR applications, which is 4,672 more than the applications in “2000 (an increase of 1.6%) … IPR registrations” numbered 130,831, an increase 3.5% over the previous year.

1. Applications

In 2001, KIPO received a record high 287,759 IPR applications, an 1.6% of increase over 283,087.

- Among the various categories, there were 103,011 patent applications, which is 1% more than the previous year; utility model applications amounted to 40,775 cases, which is an increase of 9% for the year; design applications reached 36,845 cases (an increase of 8.2%); and trademark applications totalled 107,128 cases, 2.7% less than the year 2000. Applications for patents, utility models and designs showed a slight increase over the previous year.
- The consistent increase in the application rate represents an expanding IPR awareness at the grass roots level of Korean society.

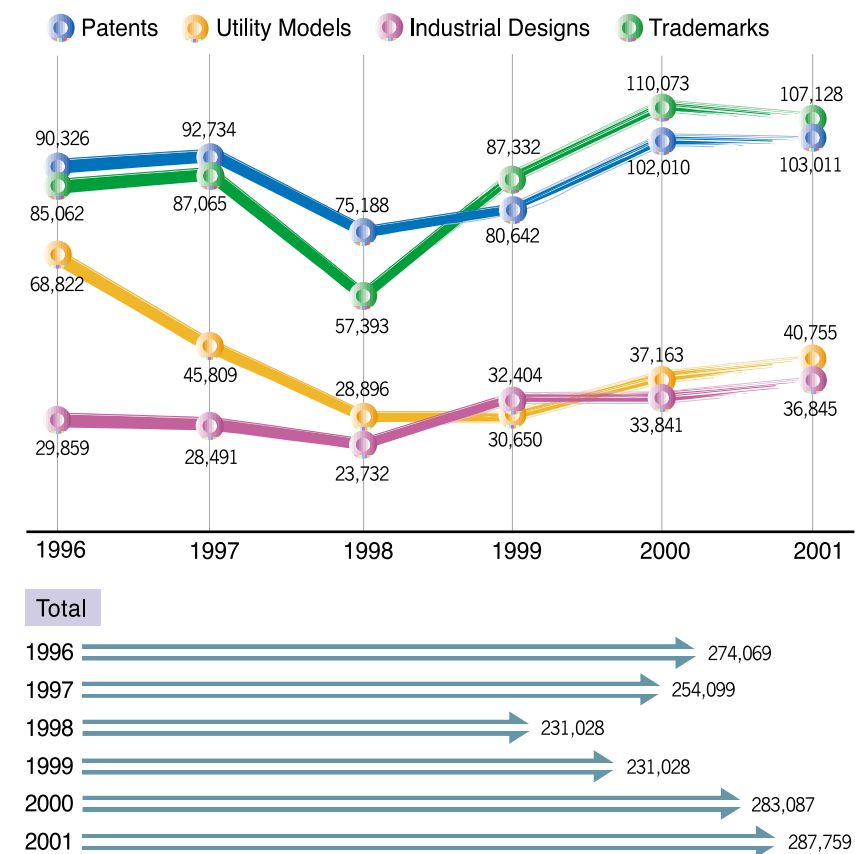
The IPR applications in 2001 by Korean nationals totalled 235,555, which is a 1.4% increase over the previous year's figure; the applications by foreigners totalled 52,204, an increase of 2.9% over the previous year. Although domestic applications constituted 81.9% of the total applications, the rate of increase of applications by foreigners more than doubled the rate of increase of domestic applications, indicating a positive view of the Korean market by foreigners.

- Among the various categories of applications by foreigners, patent applications increased 0.6% (from 29,179 to 29,363), utility model applications 18.8% (from 346 to 411), design applications increased 3.6% (from 1,731 to 1,793), and trademark applications went up 6.0% (from 19,477 to 20,637).
- Analysis of foreigners' applications by national origin shows that 20,071 cases are from Japan (38.4%), 14,392 cases are from the USA (27.6%) and 4,433 cases are from Germany (8.5%). These top three countries made up 74.5% of the total applications submitted by foreign nationals.

Application Trend for Domestic Residents and Foreigners

Classification		2000		2001		Increase rate over the previous year	
		Number	Portion(%)	Number	Portion(%)	Number	Portion(%)
		Patents	Domestic Resident	72,831	71.4	73,648	71.5
	Foreigner	29,179	28.6	29,363	28.5	0.6	-0.1P
	Total	102,010	100.0	103,011	100.0	1.0	
Utility Models	Domestic Resident	36,817	99.1	40,364	99.0	9.6	-0.1P
	Foreigner	346	0.9	411	1.0	18.8	0.1P
	Total	37,163	100.0	40,775	100.0	9.7	
Designs	Domestic Resident	32,110	94.9	35,052	95.1	9.2	0.2P
	Foreigner	1,731	5.1	1,793	4.9	3.6	-0.2P
	Total	33,841	100.0	36,845	100.0	8.9	
Trade-marks	Domestic Resident	90,596	82.3	86,491	80.7	-4.5	-1.6P
	Foreigner	19,477	17.7	20,637	19.3	6.0	1.6P
	Total	110,073	100.0	107,128	100.0	-2.7	
Total	Domestic Resident	232,354	82.1	235,555	81.9	1.4	-0.2P
	Foreigner	50,733	17.9	52,204	18.1	2.9	0.2P
	Total	283,087	100.0	287,759	100.0	1.7	

Application Status





2. Examinations

A. Patents and Utility Models

- In 2001, KIPO examined 110,316 cases by the first action standard. Of these, 55,766 (51%) were patent applications and 54,550 (49%) were utility model applications.
- Of the utility model examinations, 9,666 (18%) were processed under the old utility model law, while 44,884 (82%) were processed under the new utility model law, namely, the Utility Model Quick Registration System.
- As for the success rate of applications, KIPO granted patents to 13,797 (24.7%) of the total 55,766 patent applications. It also granted 2,972 (30.9%) of the 9,666 utility model applications filed under the old law, and 35,988 (80.2%) of the 44,884 utility model applications which met the basic formality requirements of the Utility Model Quick Registration System.

B. Trademarks and Designs

- KIPO examined 123,067 trademark applications in 2001 – an increase of 12.1% over the 109,805 examinations in 2000. This increase was due to the expedited examination procedure which has resulted from the constantly updated, highly functional trademark search engine.
- KIPO also examined 33,645 design applications in 2001 – an increase of 14.3% over the 29,446 examinations in 2000. This encouraging increase is a result of KIPO's improvements to the infrastructure of the design examination process, particularly through the computerization of the design search system.

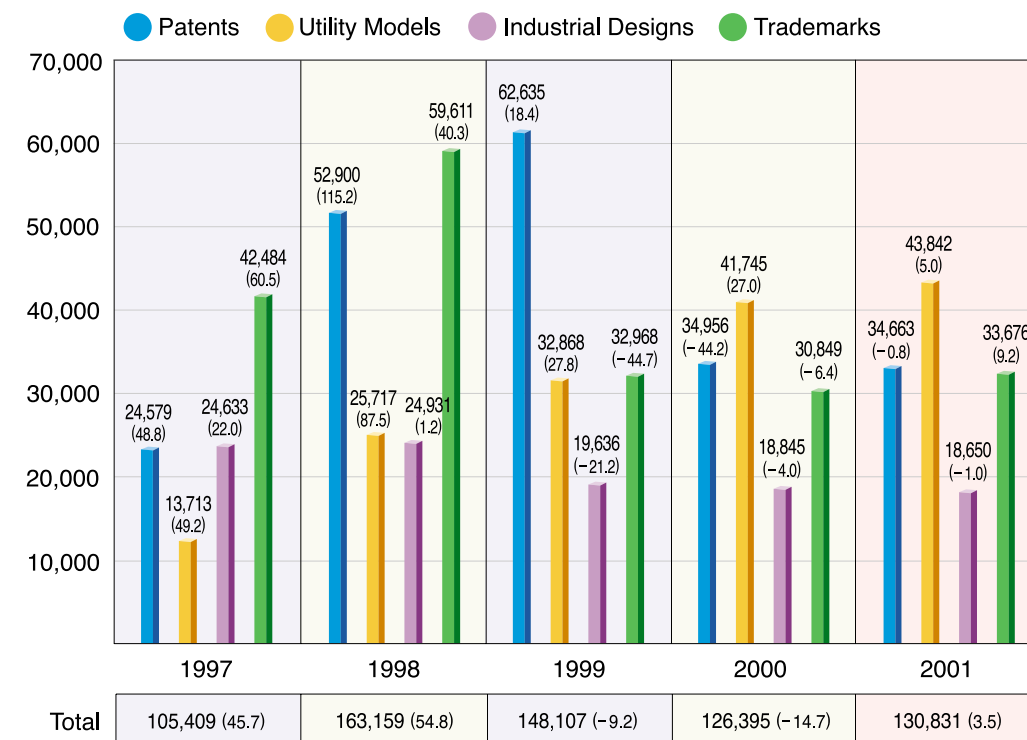
3. Registrations

In 2001, IPR registrations numbered 130,831, an increase 3.5% over the previous year. Renewed registrations by annual fee payment increased by 49.9% to 200,154. In addition, the change-by-assignment registrations numbered 126,269, a 5.6% increase.

Analysis of IPR registrations for 2001 shows that registrations for utility models and trademarks increased by 5.0% and 9.2% respectively, while registrations for patents and designs decreased by 0.8% and 1.0% respectively. [Table 1]

[Table 1] Registration Trend

number, %

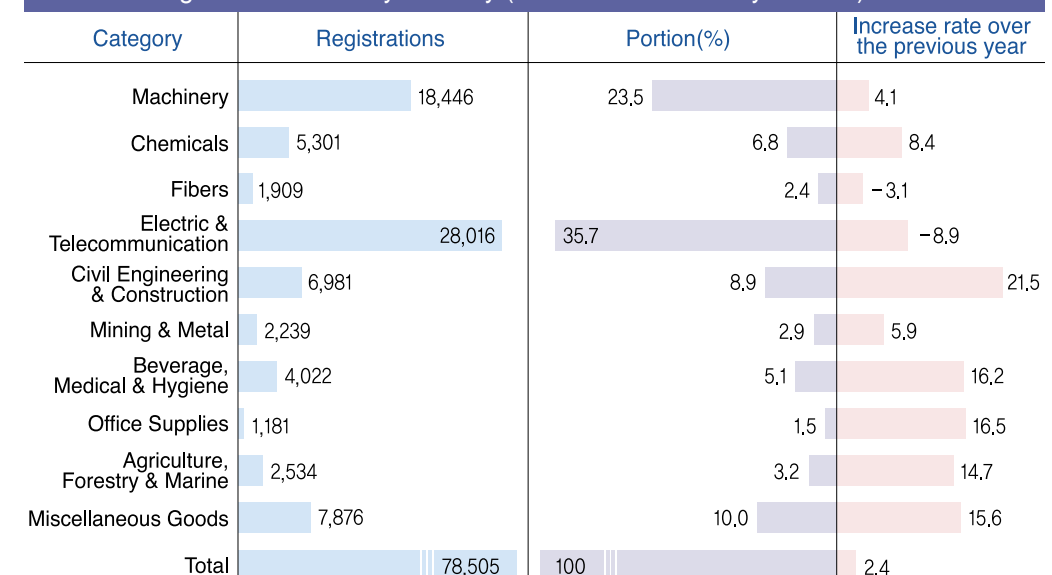


※ Remarks : Trademark renewals excluded. () means the rate of increase over the previous year.

In addition, analysis of new registrations by industry shows 28,016 registrations in the electronic and communication industry (representing 35.7%) and 18,446 (23.5%) in the machinery industry – the combined figure represents an overwhelming 59.2% of the total 78,505 registrations. [Table 2]

[Table 2] Registration Trend by Industry (for Patents and Utility Models)

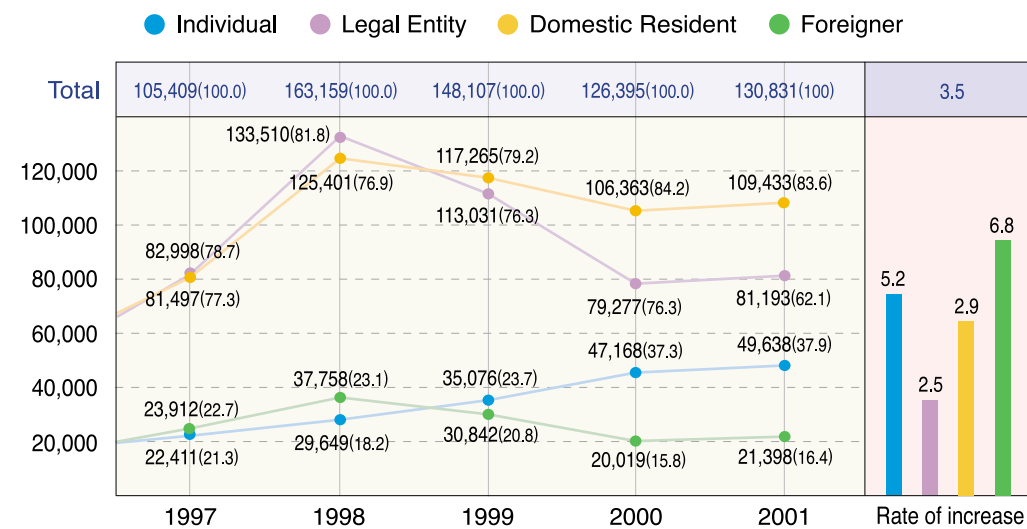
number, %





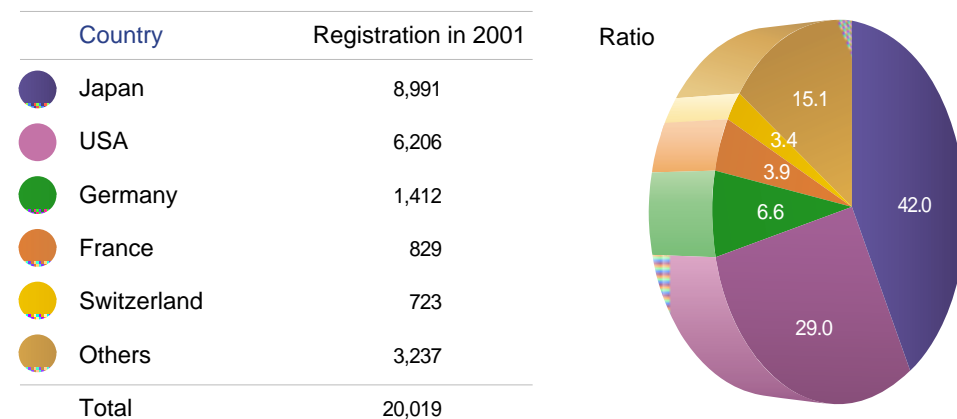
The comparison of registration ratios between individuals and legal entities shows that registration by individuals was 37.9%, while registration by legal entities was 62.1%. Registrations by Koreans and foreigners account for 83.6% and 16.4% respectively. [Table 3]

[Table 3] Registration Trend for Individuals, Legal Entities, Domestic Residents and Foreigners number, %



Of all the foreign registrations, those from Japan (42%) and the USA (29%) constituted 71%. A closer look reveals that Japan, USA and Germany led patent registrations while France and Switzerland led trademark registrations. [Table 4]

[Table 4] Registration by Foreigners in 2001 number, %



※ Trademark renewals excluded

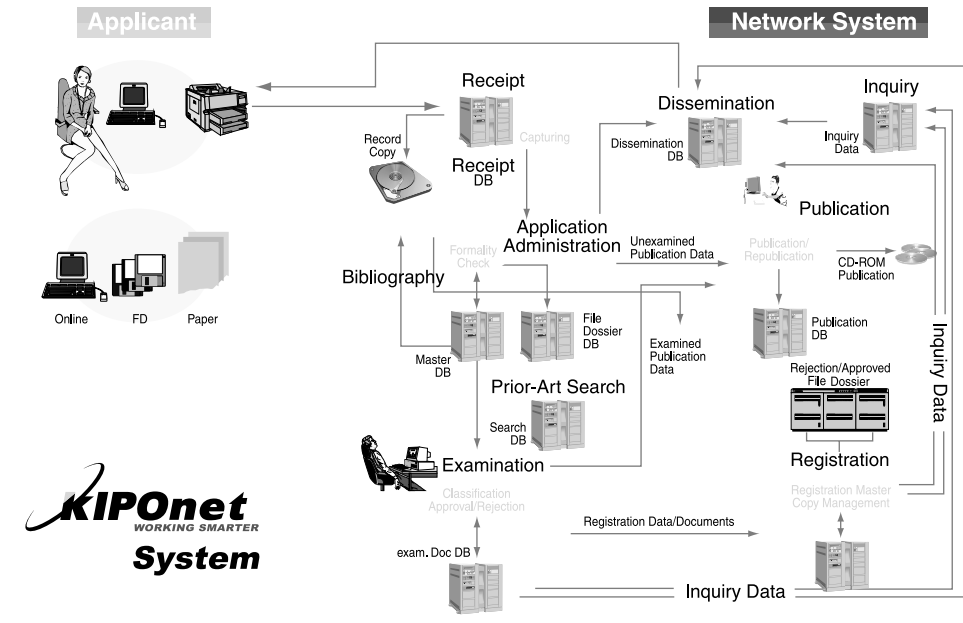
By the end of 2001 there was a total of 1,362,056 IPR registrations.

4. Trials

In 2001, there were 3,908 trials filed for patents and utility models, showing an increase of 51.2% over the previous year. For trademarks and designs, 3,577 trials were filed – an increase of 8.6% over the previous year. The total number of trials filed was 7,485, a 27.3% increase.

KIPO concluded 3,023 trials for patents and utility models and 3,490 for trademarks and designs, making a total of 6,513 trials. Each trial examiner dealt with 92 cases in the field of patents and utility models and 171 in trademarks and designs.





KIPOnet
WORKING SMARTER
System