Your Invention Partner
Korean Intellectual Property Office

Contents

Message from the Commissioner

As the focus of the world's economy shifts from labor and capital to knowledge and innovation, the swiftness with which intellectual property rights are acquired and intellectual property disputes are resolved has emerged as a core factor of personal, commercial, and national competitiveness. The success of technological development depends on the swift acquisition and commercialization of intellectual property rights; and a crucial factor of this success is the early development and acquisition of international patents for new technologies. Accordingly, the Korean Intellectual Property Office plays a vital role in managing Korean policies on intellectual property rights.

For the Korean Intellectual Property Office, 2006 was a turning point for change and development. In May 2006, we became the first central government department to operate as a self-financing executive agency. To satisfy our customers, we also established a Customer Support Bureau and we improved the application system by combining and minimizing the required documentation. Moreover, we made great strides in managing change and innovation, especially by successfully promoting performance-based management and Six Sigma management.

In 2006, we successfully achieved our goal of providing a world-class examination and trial service, and we contributed to technological innovation and industrial development by expanding the basis for creating, utilizing and protecting intellectual property.

Our other accomplishments for 2006 include the following: First, our applications for industrial property reached 367,687, giving us a ranking of fourth in the world; and our international patent applications under the Patent Cooperation Treaty reached 5,935, which is an increase of 26.6 percent over the previous year.

Second, in December 2006, we successfully reached our target of shortening the first action pendency period for patent examinations to 9.8 months-the fastest patent examination service in the world. The shortened pendency period is the result of endless efforts to make our examinations more efficient. Those efforts include increasing the examination performance of each examiner by an average of 47 percent over the previous year; recruiting additional examiners; improving the examination process; advancing the information system of patent administration; and expanding the work-at-home program. We also endeavored to maintain and improve the quality of examinations by standardizing the management of examination quality, enhancing the proficiency of examiners, and improving the examination assessment system.

Third, we facilitated the revision of various laws and systems to protect intellectual property holders and improve the convenience of applicants. For instance, we allowed applicants to postpone the submission of a claim until the disclosure of their application; we simplified the level of detail required in patent applications; and we reinforced the rights of intellectual property holders by protecting all types of visually recognizable symbols and marks.

Fourth, we made continual improvements to our fully automated patent administration system, KIPOnet II, and these improvements have made us a world leader in patent information systems. The ubiquitous service of KIPOnet II enables our application and examination processes to be accessed anytime and anywhere. As a result, the portion of patent applications filed electronically in 2006 reached 97.2 percent, and our work efficiency and productivity were enhanced by the capability of at-home and on-line processing. Moreover, by transferring the know-how that we acquired from developing and operating the KIPOnet system to more than 30 countries, we have expanded our international cooperation in this field.

Fifth, we implemented policies that foster a beneficial intellectual property cycle with emphasis on the creation, utilization and protection of intellectual property. For instance, we promote the use of patent information to improve the efficiency of national R&D, and we operate a patent management advisor system and a Local Intellectual Property Center to reinforce the capability of universities, public research institutes, and local agencies with respect to the creation of intellectual property. We also started a patent management consultation service for small and medium-sized enterprises to promote the commercialization and trade of patented technology. On the protection front, we responded actively to intellectual property infringements inside and outside of the country by introducing an anticounterfeiting reward system and the Center for Overseas Protection of IPRs. We also participated in the formation of international standards for intellectual property rights by responding to free trade agreements and the World Trade Organization, and by cooperating with the World Intellectual Property Organization.

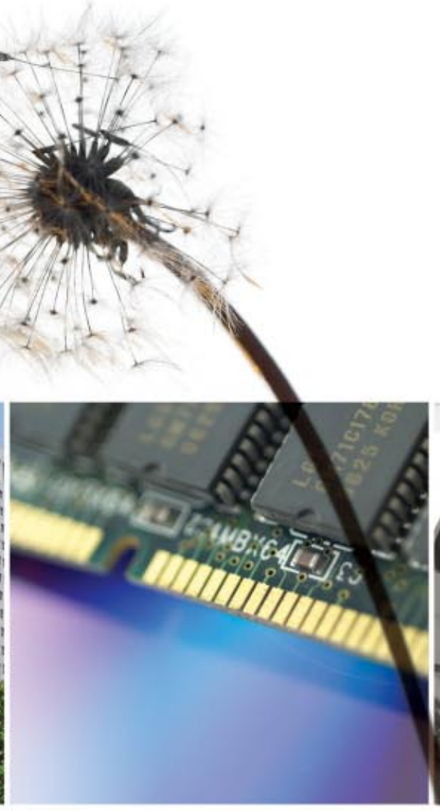
In the current era, where knowledge is a major source of wealth and prosperity, the key to securing national competitiveness and continual growth lies in intellectual property rights. The Korean Intellectual Property Office will use all its strength and resources to promote the importance of intellectual property rights.

I sincerely hope that the 2006 Annual Report offers insight into the activities and prospects of the Korean Intellectual Property Office and into the blueprints of the Korean intellectual property rights system and policies.

Sang-Woo Jun
Commissioner

Overview and highlights of 2006

Applications
Examinations
Registrations
Trials and appeals



Overview of 2006

At the Korean Intellectual Property Office (KIPO), we received 368,000 applications for intellectual property rights (IPRs) in 2006 and this figure represents a 2.4 percent increase over the previous year. Applications for patents, which are directly associated with technological innovation and knowledge creation, reached 163,000, representing a 1.1 percent increase over the previous year.

The proliferation of intellectual property (IP) applications has put the Republic of Korea on a par with other advanced countries. In 2006, our international patent applications under the Patent Cooperation Treaty (PCT) numbered 5,935, and we ranked fourth for foreign applications filed at the United States Patent and Trademark Office.

The start of the patent management consultation service for SMEs

To swiftly and accurately grant rights for the ever-growing number of IP applications, we undertook various measures to drastically improve the efficiency of our examination process. For instance, we adopted the Six Sigma method of management; we expanded our outsourcing of certain examination tasks; and we promoted on-line and at-home examinations. As a result, by the end of 2006, we succeeded in shortening the first action pendency period for patent examinations to a mere 9.8 months, which means we now have the fastest patent examination service in the world. In addition, the examination periods for trademarks and industrial designs were both shortened to 5.9 months.

The scope of trademarks that can be registered and protected under the *Trademark Act* was expanded to include all visually recognizable symbols and marks, such as color trademarks, motion trademarks, and hologram trademarks. We also reinforced regulations to prevent the registration of imitation trademarks.

To strengthen the rights of designers, we revised the *Industrial Design Protection Act* so that the period of claiming a confidential design was extended from the application date for design registration to the actual payment of the initial design registration fee.

To make the patent system more convenient for applicants, we also extended the deadline for submitting a claim until the time of an examination request. In addition, we eased the level of detail required in the descriptive part of a patent application.

By improving and supplementing the KIPOnet system, we have been able to provide services such as the real-time notification service for application results and the home page notification service for loss of rights. Moreover, we used special software to automatically check errors in the documents of electronic applications, and we minimized unnecessary application documents to realize a one-stop on-line service.

To improve the efficiency of national R&D, we made it mandatory for government-funded research teams to use patent information when planning their research, particularly by searching for prior art and by studying patent trends. Furthermore, we established the IP Advisers Group for National R&D so that patent examiners could provide consultations on next-generation R&D projects for new technology.

In September 2006, we revised the laws on employee inventions to boost the creation of outstanding IP. The revised laws provide a standard by which employers and employees can cooperate with each other to ensure that employees receive appropriate compensation for their inventions.

Cooperation Meeting for PCT and Patent Information Technologies between WIPO and KIPO

Overview of 2006

Presentation ceremony for the ISO 20000 and ISO 27001 certificates

Another innovation that we promoted in September 2006 was a patent consultation service for small and medium-sized enterprises (SMEs). This service involves the integration of patent information with the commercialization and transfer of patented technology. After directly diagnosing their patent management conditions, KIPO examiners offer advice to SMEs on the best patent strategy.

On the international front, we continued to use the Korea Funds-in-Trust at the World Intellectual Property Organization (WIPO) to support the IP field in developing countries, and we developed and distributed digital IP educational material in conjunction with WIPO for the benefit of patent offices around the world.

In recognition of our world-class IT management system and information protection system, we were honored in December 2006 to become the first government agency in Korea to be awarded the ISO 20000 and ISO 27001 certificates. Moreover, thanks to our convenient, safe and high-quality KIPOnet service, we attained a Level 4 grade in a Capability Maturity Model Integration assessment, an international quality authentication standard for the IT field.

In December 2006, the number of cases in our database of domestic and international IPRs reached 145,511,000. The database was established for the purpose of strengthening the protection standards for international IPRs and promoting national technological innovation through the creation, utilization and protection of IPRs. Currently, the database is used as a basis of support for government-funded R&D and R&D-related industries, and as a means of promoting IP creation among SMEs, universities, women and students.

The Korea Student Invention Exhibition

The 2006 Korea Patent Fair

Highlights of 2006

Applications

Domestic applications

The overall number of IPR applications filed at KIPO in 2006 was 372,520, an increase of 3.7 percent over the previous year. A breakdown of that figure shows that patent applications rose slightly by 3.3 percent for the year to 166,189, whereas utility model applications dropped by 11.5 percent for a total of 32,908. The industrial design applications numbered 51,039, representing an annual increase of 12.9 percent, while the trademark applications rose by 5.6 percent to 112,384.

Of the overall IPR applications filed in 2006, the residents of Korea filed 311,231 (or 83.5 percent), which is 3.7 percent more than in the previous year; and residents of foreign countries filed 61,289 (or 17.4 percent), which is 3.6 percent more tthan in the previous year.

Looking at the IPR applications filed by residents of foreign countries, the vast majority (40,713) were for patents, though this figure exceeds the previous year's figure by 5.2 percent; of the rest, 715 were for utility models, 3,021 were for industrial designs and 16,840 were for trademarks.

Most of the applications of foreign applicants (73.6 percent) came from just three countries: 23,318 (or 38.0 percent) came from Japan, 17,498 (or 28.5 percent) came from the USA, and 4,282 (or 7.0 percent) came from Germany.
A breakdown of patent applications by technological field shows that 31.7 percent of domestic applications and 29.0 percent of foreign applications pertained to the electricity and communications fields. Domestic applications in the fields of agriculture and fisheries, non-metal processing, and nuclear power increased by 23.9%, 23.5% and 63.6%, respectively, over the previous year. Foreign applications in the fields of metal processing, non-metal processing, weapons and blasting, and machine parts increased by 23.5%, 17.2%, 33.3% and 17.2%, respectively, over the previous year

Applications by IPR type

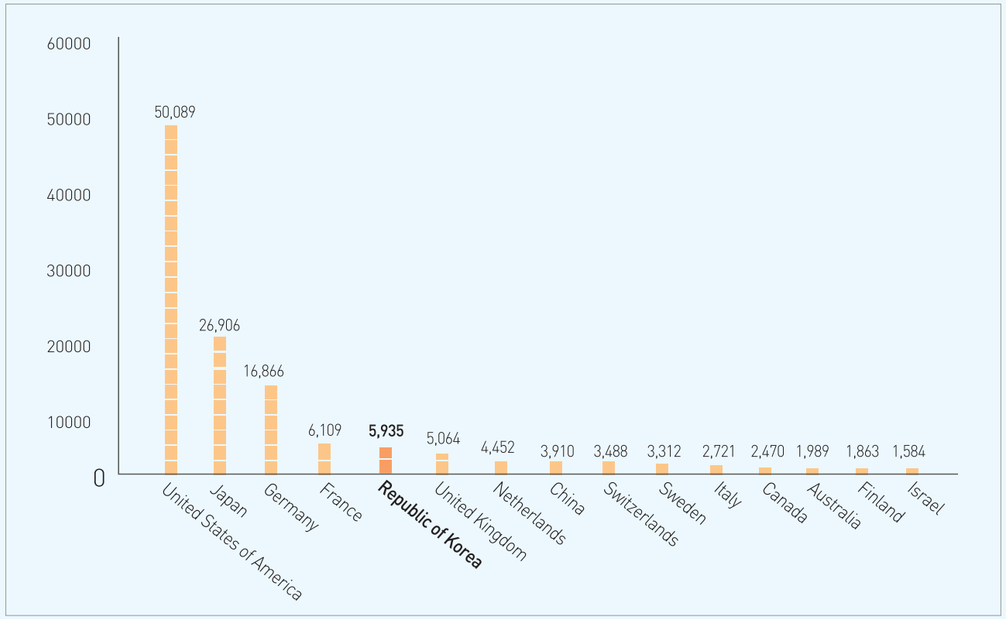
IPR type	2002	2003	2004	2005	2006	Percentage change for 2006 (%)
Patents	106,136	118,652	140,115	160,921	166,189	3.3
Utility models	39,193	40,825	37,753	37,175	32,908	▽ 11.5
Subtotal	145,329	159,477	177,868	198,096	199,097	0.5
Industrial designs	37,587 (39,952)	37,607 (39,346)	41,184 (42,879)	45,222 (46,615)	51,039 (52,879)	12.9 (13.4)
Trademarks	107,876 (144,678)	108,917 (148,691)	108,464 (147,319)	115,889 (156,270)	122,384 (164,432)	5.6 (5.2)
Total	290,792 (329,959)	306,001 (347,514)	327,516 (368,066)	359,207 (400,981)	372,520 (416,048)	3.7 (3.8)

Note: Figures in parentheses include multiple applications.

PCT applications

The overall number of PCT applications filed at KIPO in 2006 was 145,300, which represents an increase of 8,800 (6.4 percent) over the previous year. Of these applications, the residents of Korea filed 5,935. Although that figure represents only a 4.0 percent portion of all PCT applications filed in 2006, it also represents a significant 26.6 percent increase over the previous year. As a result, Korea's world ranking in PCT applications has jumped from sixth (out of 136 member countries) to fifth.

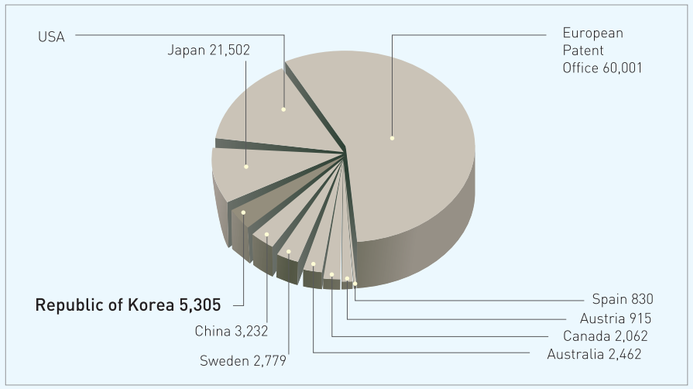
WIPO ranking for PCT applications (2006)



Note: Owing to the International Bureau's delayed receipt of applications, there is a slight discrepancy between WIPO's statistics for KIPO (5,935) and KIPO's own statistics (5,919).

Highlights of 2006

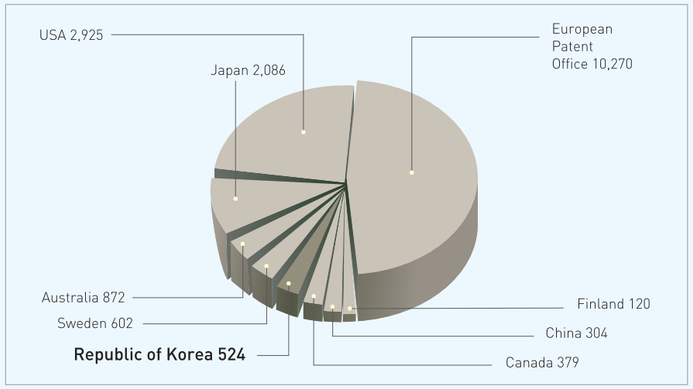
PCT international searches



Note: Based on WIPO's preliminary statistics (from January to November 2006).

From January to November 2006, the 12 PCT International Preliminary Examining Authorities conducted 18,374 examinations. KIPO's portion, which numbered 524, earned us a ranking of sixth out of the 12 authorities.

Requests for international preliminary examinations



Note: Based on WIPO's preliminary statistics (from January to November 2006).

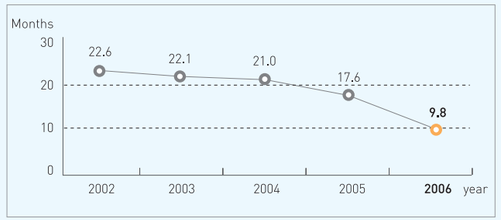
Examinations

Patents and utility models

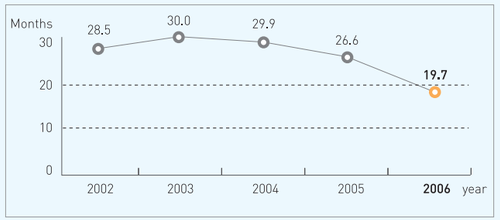
In 2006, the number of patent and utility model applications examined by the first action standard soared by 33.4 percent to 240,668 (that is, 195,398 for patents and 45,270 for utility models). Of the utility model examinations, 10 were processed under the old utility model law; 33,935 were processed under the new utility model law, which incorporates a non-substantive examination system; and 11,325 were processed under a technical evaluation of utility models.

By the end of 2006, the average first action pendency period for patent examinations had dropped from 17.6 months in the previous year to a mere 9.8 months.

First action pendency period for patent examinations



Total pendency period for patent examinations



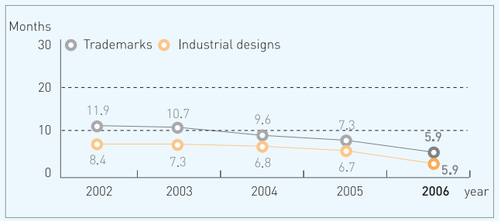
Trademarks and industrial designs

In 2006, KIPO examined on a first action basis 172,045 regular trademark applications, 48,369 industrial design applications, and 16,903 international trademark applications under the Madrid Protocol. These figures represent a year-on-year increase of 0.6 percent for trademarks and an increase of 15.2 percent for industrial designs.

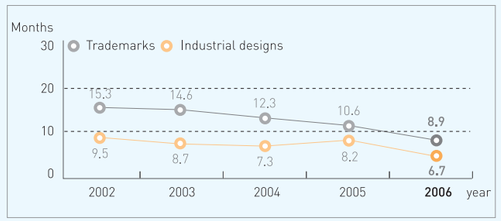
The examination period in 2006 averaged 5.9 months for trademarks and 5.9 months for industrial designs. Compared to the previous year, these figures represent a reduction of approximately 1.4 months for trademarks and 0.8 months for industrial designs.

Highlights of 2006

First action pendency period



Total pendency period to the final decision



Examinations by IPR type

Year	Patents and utility models			Industrial designs	Trademarks		Total
	Patents	Utility models	Subtotal		Domestic	International	
2001	55,766	54,550	110,316	32,276 (33,645)	87,078 (123,067)		229,670 (267,028)
2002	79,414	49,307	128,721	38,631 (40,618)	100,020 (136,041)		267,372 (305,380)
2003	93,433	48,578	142,011	40,094 (42,419)	118,796 (157,800)		300,901 (342,230)
2004	98,404	53,389	151,793	40,541 (42,080)	116,210 (156,147)	3,205 (6,560)	311,749 (356,580)
2005	131,115	49,317	180,432	40,820 (41,987)	124,892 (171,000)	4,534 (8,941)	350,678 (402,360)
2006	**195,398**	**45,270**	**240,668**	**46,381 (48,369)**	**128,457 (172,045)**	**7,270 (15,031)**	**422,776 (476,113)**

Note: 1. Includes other items such as withdrawal, abandonment, and invalidation.
2. Figures are based on the first action.
3. Figures in parentheses include multiple applications.

Registrations

In 2006, the IPR registrations in Korea numbered 250,537, which reflects a huge annual increase of 26.5 percent. In addition, the annual registration renewals rose by 7.5 percent to 358,393 cases, and registration changes such as transfers rose fractionally by 0.7 percent to 166,185 cases.

Although the analysis of registrations in 2006 reveals a drop of 9.1% for utility models, it also shows a slight rise of 0.6 percent for industrial designs, a significant rise of 13.7 percent for trademarks, and a phenomenal rise of 64.3 percent for patents. In terms of specific industries, the electricity industry and the communications industry accounted for 71,862 registrations (or 47.7 percent), while the machinery industry accounted for 25,324 registrations (or 16.8 percent). Together, these three industries comprised 64.5 percent of all patent and utility model registrations.

A comparison of registrations by individuals and legal entities shows that legal entities accounted for 73.8 percent of registrations and individuals, 26.2 percent.

In terms of nationality, residents of Korea obtained 80.9 percent of the registrations in 2006, while residents of foreign countries obtained 19.1 percent.

Of the registrations by residents of foreign countries, the majority came from Japan (43.0 percent) and the United States (23.7 percent). Residents of Japan, the United States and Germany registered more patents than trademarks, whereas residents of France, Switzerland, and the United Kingdom registered more trademarks than patents.

By the end of 2006, KIPO had nullified 989,206 of the existing 2,409,801 IPR registrations because of expiry, nonpayment of annual fees, and trials for invalidation of registration. The remaining registrations numbered 1,420,595.

Registrations by IPR type

IPR type	2002	2003	2004	2005	2006	Percentage change for 2006
Patents	45,298	44,165	49,068	73,509	120,782	64.3
Utility models	39,957	37,272	34,182	32,716	29,736	▽ 9.1
Industrial designs	27,235	28,380	31,021	33,991	34,201	0.6
Trademarks	40,588	46,023	51,104	57,872	65,768	13.7
Total	153,078	155,840	165,375	198,088	250,537	26.5

Note: Trademark registration renewals are excluded.

Highlights of 2006

Trials and appeals

In 2006, KIPO received 17,111 trial petitions, which represents a 19.8 percent increase over the previous year.

A breakdown of trial petitions for the year shows that the number of petitions for patents and utility models soared by 32.3 percent to 10,490, whereas the number of trial petitions for trademarks and industrial designs rose slightly by 4.2 percent to 6,621. In addition, the *ex parte* cases numbered 13,064 (or 76.3 percent) and the *inter partes* cases numbered 4,047 (or 23.7 percent). Moreover, the residents of Korea accounted for 10,819 (or 63.2 percent) of the trial petitions, whereas residents of foreign countries accounted for 6,292 (36.8 percent).

In 2006, we concluded 16,786 trials. Of these, 10,650 (or 63.4 percent) were for patents and utility models, and 6,136 (or 36.6 percent) were for trademarks and industrial designs.

The *ex parte* suits filed in 2006 with the Patent Court numbered 331, which is slightly more than the number filed in the previous year. The *ex parte* suits comprised 195 patent and utility model cases and 136 trademark and industrial design cases. As the defendant in the *ex parte* suits, the KIPO Commissioner had a success rate of 75.6 percent, down slightly from the success rate of the previous year.

The final appeals of the *ex parte* suits filed with the Supreme Court in 2006 were up by 11 from the previous year for a total of 62. Of these, patent and utility model cases numbered 35, while trademark and industrial design cases numbered 38. As the defendant in the final appeals, the KIPO Commissioner had a success rate of 83.3 percent, up significantly from the success rate of the previous year.

Trial statistics

Category	Rights	2002	2003	2004	2005	2006	Percentage change for 2006
Petitions	Patents	3,376	3,821	4,798	7,142	9,725	36.2
	Utility models	887	788	827	786	765	▽ 2.7
	Industrial designs	560	604	572	484	546	12.8
	Trademarks	3,675	3,936	4,582	5,869	6,075	3.5
	Total	8,498	9,149	10,779	14,281	17,111	19.8
Disposals	Patents	3,022	2,836	4,051	6,572	9,793	49.0
	Utility models	766	728	876	1,041	857	▽ 17.7
	Industrial designs	458	576	599	535	506	▽ 5.4
	Trademarks	3,168	3,718	4,206	5,003	5,630	12.5
	Total	7,414	7,858	9,732	13,151	16,786	27.6
Successful petitions	Patents	578 (44.9)	559 (44.2)	1,009 (44.0)	1,151 (42.7)	2,191 (44.9)	-
	Utility models	283 (41.3)	287 (40.1)	393 (45.3)	486 (47.0)	391 (46.4)	-
	Industrial designs	205 (51.8)	280 (52.5)	277 (52.0)	227 (46.9)	262 (56.8)	-
	Trademarks	1,671 (52.7)	2,077 (55.9)	2,484 (59.1)	2,687 (53.7)	3,194 (57.1)	-
	Total	2,737 (49.4)	3,203 (51.4)	4,163 (52.7)	4,911 (48.8)	6,038 (51.3)	-

Note: The term "disposals" refers to cases where a right has been registered or the applicant abandons the application, as well as cases where the registration is decided by an examiner's reconsideration before a trial.

Comparison of domestic and foreign trial petitions

	2002		2003		2004		2005		2006	
	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign
Patents	1,926	1,450	2,339	1,482	3,133	1,665	4,362	2,780	6,212	3,513
Utility models	866	21	780	8	812	15	771	15	758	7
Industrial designs	513	47	554	50	538	34	456	28	515	31
Trademarks	2,179	1,496	2,505	1,431	2,890	1,692	3,432	2,437	3,334	2,741
Subtotal	5,484	3,014	6,178	2,971	7,373	3,406	9,021	5,260	10,819	6,292
Total	8,498		9,149		10,779		14,281		17,111	

Note: Multiple applications for trademarks and industrial designs are treated as single applications.

Improvement of IP administration

Greater efficiency in examinations and trials
Enhanced automation of IP administration

Improvement of IP administration

Greater efficiency in examinations and trials

Faster and more efficient examinations and trials

KIPO has made a concerted effort to ensure that patent rights are granted swiftly and accurately, with a significantly reduced examination period. Following our intensive recruitment of examiners between 2002 and 2005, we extended our outsourcing of prior art searches in 2006 to 133,000 cases.

Recruitment of patent examiners

	2002	2003	2004	2005
Recruits	82	60	45	170
Total examiners	453	513	558	728

In IP disputes, a trial takes about 8.1 months for patents and utility models and 5.6 months for trademarks and industrial designs. To limit these periods to no more than 6 months, we recruited an additional 30 trial judges in 2006 and we plan to recruit a further 24 judges in 2007.

Improvement in the quality of examinations and trials

To increase the quality and efficiency of examinations, KIPO has improved the examination system. For example, we enhanced the transparency and quality of examinations by introducing a new system of examination notes and related prior art lists. We also introduced a novel system of examination teams, which offers greater consistency and expertise in examinations as well as an effective means of sharing work experience. Under the team system, teams of approximately ten examiners are responsible for particular types of technology.

We also took steps to increase the capabilities of our examiners, especially by expanding educational opportunities in the area of cutting-edge technologies. For example, we commissioned private organizations to offer on-site educational programs and academic seminars on fusion technologies, and we established research councils on cutting-edge technologies to enable examiners to share their expertise. Moreover, with regard to legislation, we assisted in the revision of patent and utility model laws so as to improve the quality of examinations.

These efforts enabled us to reduce the examination error rate in the 2006 examination quality review by 0.8 percent over the previous year, giving us a low overall error rate of 1.5 percent.

To improve the quality of our examinations for trademarks and industrial designs, we have continually adopted measures to improve the examination system and database.

In 2006, we focused on improving the quality of trademark examinations. For instance, we established an on-line cooperative examination system, whereby new examiners can improve the accuracy of their examinations by asking experienced examiners for timely consultations. Secondly, we reorganized our vast database of trademarks on the basis of the grounds for rejection, and we launched the reorganized database in the examination system to enable examiners to conveniently search for and use related precedents. Thirdly, we set up an intelligent search system, which allows swift and accurate searches for identical or similar registered trademarks.

Another area of focus for 2006 was improvement in the quality of industrial design examinations. By reorganizing more than six million items of examination data related to industrial designs, we improved the efficiency and accuracy of searches for industrial design prior art. We also promoted the development of design maps, which can be used for analysis of trends in design applications and for general information pertaining to design disputes.

As in previous years, we conducted a competition in 2006 among our examiners in relation to the trademark and design examination manual. The competition enables examiners to share their knowledge and expertise on examinations.

An examiner conducting a design examination

Improvement of IP administration

Proceedings at the Intellectual Property Tribunal

Meetings of examiners and specialized research councils have also enhanced the expertise of examiners with regard to various laws and major IPR issues. Through these types of activities, examiners can use their expertise in the development of policies and practices related to trademark and design examinations.

In 2006, we also took steps to improve the quality of trials and appeals. For instance, to enhance the proficiency of judges, as well as the quality of trials, we provided substantial educational opportunities for new judges along with in-service training for experienced judges.

We also published the eighth version of *The Trial Handbook* in October 2006 to reflect all the amendments to the IP laws and ordinances since the seventh version (June 2004).

The regulations for establishing trial standards and assessing the quality of judgments were enacted in May 2006 to establish a new standard for trials. Under these regulations, a quality assessment committee examines trials from each field on a quarterly basis; the committee analyzes judgments and decisions on the cancellation of rights and evaluates ways of improving the quality of judgments.

Furthermore, as part of our ongoing legal education, the lawsuit research council gives presentations on lawsuit cases twice a month, focusing on lawsuit-related improvements.

Enhanced automation of IP administration

Advancement of the KIPOnet system

Since introducing on-line filing of applications in 1999, KIPO expanded and developed its KIPOnet system so that by 2002 it had achieved a full-fledged paperless IP administration. The subsequent release of the KIPOnet II upgrade in 2003 further enhanced our administrative responsiveness to applications.

In March 2005, we capitalized on the advantages of the KIPOnet system by introducing an innovative work-at-home system for our examiners, and we initiated 24-7 services for filing, examinations, and various administrative procedures. To meet the security challenges created by these innovations, we established the Security Patrol Center.

In June 2006, we incorporated digital rights management into the KIPOnet system to protect undisclosed patent documents. This action was taken in response to the challenges of the work-at-home examination program and as a means of reducing the first action pendency period of examinations.

In December 2006, we became the first government agency in Korea to attain the ISO 20000 and ISO 27001 certificates. These certificates confirm the world-class status of our IT service management system and our information protection management system. Moreover, for our safe, convenient and high-quality KIPOnet services, we achieved a Level 4 grade in a Capability Maturity Model Integration assessment, an international standard for quality authentication.

In recognition of the growing importance of utilizing patent information, we have promoted the establishment of a system of analyzing patent statistics. Such a system could be used to determine the direction of national and commercial R&D. Plans are underway to establish a data warehouse exclusively for statistics, along with a statistical information system in 2007 and a strategic system of analyzing patent information in 2008.

We also combined, merged, or eliminated similar types of documents and simplified the unnecessarily complex parts of documents. As a result, we condensed 347 types of documents to just 157 types, making it more convenient for applicants to select and complete the necessary documents.

To share the results of examinations with other countries, we promoted the automatic translation of patent information and examination results, as well as the establishment of a network for sharing examination information with other countries. In addition, the Japan Patent Office and KIPO agreed to start exchanging examination results in April 2007, under the Korean-Japanese Patent Prosecution Highway project.

Improvement of IP administration

Greater use of patent information

The search page of the KIPRIS Web site

To prevent the overlapping of R&D projects and to promote the development of new technologies, we have provided a basic database free of charge on the Internet 〈www.kipris.or.kr〉since the year 2000. By the end of 2006, the service had provided around 55 million items of domestic and foreign IPR information; and each year users conduct around 13 million searches.

The demand for IP experts is increasing in business and academic spheres due to the twenty-first century's rapid shift towards a knowledge-based economy. Hence, since 2002, we have been running the Cyber International Patent Academy 〈www.ipacademy.net〉. To date, we have developed 130 educational courses and, in 2006, more than 200,000 students benefited from these courses.

Statistics of the Cyber International Patent Academy

Year	2002	2003	2004	2005	2006
Number of students	12,700	20,800	29,900	109,200	202,300
Number of courses	25	57	85	106	130

To help researchers utilize patent information more effectively, we conducted nationwide seminars in 2005 and 2006 on the strategic use of patent information. Furthermore, in 2006 we offered various types of support to the engineering departments of universities and graduate schools to promote the academic study of patents. Through these measures, we endeavored to systematically enhance the capability of researchers with regard to the utilization of patent information.

We also republished a manual on R&D patent strategy to foster a high performance R&D culture that leads to the acquisition of patents. The manual offers researchers and research institutes suggestions on essential patent management strategies and metrics pertaining to the R&D process. In addition, we run a dedicated Web site 〈www.ipr-guide.org〉 that provides on-line consultations on patent strategies and metrics.

In recent years, we have been publishing the Korean Patent Abstracts (KPA) in response to the growing trend of sharing examination and search results among countries. We published 182,465 abstracts in 2006 and, between 1997 and 2006, we published an accumulated total of 819,417 abstracts.

In 2006, we applied the eighth edition of the International Patent Classification to the KPA. Furthermore, because the KPA was adopted as part of the PCT minimum documentation for international searches and preliminary examinations, we reorganized the data, particularly the parts that were scattered, omitted, or improperly described in the 819,000 abstracts published before 2006. In 2007, we plan to edit another 136,000 items of data.

To promote the use of patent information, we compiled a database of domestic and international patent information. The international component contains 85 types of patent information from 24 foreign countries, including the USA, Japan, and various countries of Europe. By the end of 2006, the database contained 145.5 million items of domestic and international IPR data, which is an increase of 16.2 million items over the previous year.

KIPO's IPR database

(As of December 31, 2006; unit: million cases)

Classification	Type of data	Number of cases
Patents and utility models	Domestic	9.3
	International	111.0
Trademarks	Domestic	3.7
Industrial designs	Domestic	12.9
	International	8.6
Total		145.5

We first began publishing IPR gazettes in booklet form in 1948. In 1998, we adopted a CD-ROM format, and, since July 2001, we have been publishing our gazettes on the Internet. The on-line gazettes, which cover the period between 1948 and 2006, feature 4.8 million IPR registrations.

Our Intellectual Property Digital Library contains patent documents from various countries. It has 29,000 books on patents, 524 periodicals, and the 144 documents that comprise the PCT minimum documentation. The following items are used for prior art searches in patent examinations: IEL, an academic database on electricity and electronics; Science Direct, an electronic journal; ACS; OSA; Japanese journals such as the JJAP and BCSJ; North Korean journals; Westlaw, a legal database; and Delphion, a database of patent documents.

Improvement of IP administration

International leadership in automated patent administration

The APEC e-learning modules of IP Xpedite

In May 2005, we used the Korea Funds-in-Trust at WIPO to develop, in conjunction with WIPO, the PCT receiving office administration software called PCT-ROAD. By the end of 2006, the software program had been distributed to twelve countries, including Vietnam, Singapore, and Israel.

In 2006, we collaborated with WIPO again in developing a digital IPR educational program called IP Panorama. IP Panorama uses animation to facilitate the learning of IPR concepts in ten fields, such as patent information, technology trade, M&As, e-commerce, and patent disputes. The program is useful for IP education and training, as well as the development of human resources.

In conjunction with the SMEs Division of WIPO, we developed e-learning IPR courses to help SMEs in developing countries create their own IP. We also made these courses available to companies and universities at home and abroad.

At the General Assembly of the PCT Union in October 2005, 128 member countries unanimously amended the PCT rules so that Korean patent documents would be incorporated into the PCT minimum documentation. That means that our patent documents must be accessible in any examination of international patents under the PCT. It also means that the IPRs of Korean companies operating overseas will have greater protection.

In line with new IPR regulations that take effect in April 2007, we are providing relevant databases to other patent offices so that examiners in those offices can conveniently search Korean patent documents during their examinations.

In 2006, we used our own resources, as well as funding worth 150,000 USD from the Asia-Pacific Economic Cooperation (APEC), to collect data from Korea and other IPR leaders (the USA, Japan, Europe, and WIPO) on outstanding cases of patent information usage, and to develop the data into eight e-learning modules, called IP Xpedite. The modules were given to the member countries of APEC.

Cooperation with advanced countries in the IT field has produced mutual benefits, particularly the electronic exchange of information and data such as priority documents.

Our IT experts held a bilateral meeting with the Japan Patent Office (Daejeon, June 2006) and a trilateral meeting with China and Japan (Beijing, November 2006). Through these meetings, we strengthened IT exchanges, particularly with respect to the exchange of search data and the electronic exchange of priority documents.

We held three video conferences with the European Patent Office, in April, May, and September of 2006, to discuss the electronic exchange of priority documents and other information issues. One particular benefit of the conferences was the agreement to set up a Korean patent information helpdesk in January 2007 at the European Patent Office. The helpdesk will lay the foundation for promoting wider understanding of Korean patent information throughout Europe.

In October 2006, we held a bilateral meeting for IT experts with the Canadian Intellectual Property Office (Ottawa, June 2006) to discuss electronic exchange of priority documents and the exchange of other patent information.

Finally, to increase the international visibility of KIPOnet and Korean patent information, we undertook the following measures: we held an international patent information conference called PATINEX (Seoul, November 2006); we participated in the Canadian Government Procurement Exhibition (Ottawa, November 2006); and we applied for the UN Public Service Awards (December 2006).

Bilateral IT meeting between KIPO and the Japan Patent Office

PATINEX in Seoul, November 2006

Advancement of the IP legal framework

Patents

Trademarks and industrial designs

The trial system

Advancement of the IP legal framework

Patents

In 2006, KIPO initiated a number of improvements to the patent system for the benefit of applicants. For instance, we simplified the documentary requirements of patent applications so that applicants can describe their inventions more easily. We also gave applicants more time to review and write their applications, by extending the deadline for submitting claims until the laying open of the application (that is, by up to 18 months). In addition, we obliged our examiners to elaborate the reason for refusing a claim in applications with two or more claims to ensure that applicants were kept informed of the reason for the refusal.

With regard to employee inventions, the law was changed to create a win-win situation for both employers and employees. In particular, we set up procedures for the notification of patent rights for employee inventions and for the transfer of rights to employers. These procedures were designed to clarify the rights of employers and employees and to prevent disputes over employee inventions. Secondly, we introduced an improved method of estimating the value of remunerations for employee inventions, and, in the new method, employees can participate more fully in the remuneration process. The basic principle of the new method is that employers and employees should have a reasonable and legally justifiable means of determining the remuneration for an employee invention.

Trademarks and industrial designs

The *Trademark Act* was revised in 2006 to reinforce the protection of trademarks. The revision, which takes effect in July 2007, covers several important areas such as registrable subject matter, restrictions on imitative trademarks, and extensions to the period of objection.

With regard to the first point, the subjects that can be protected and registered under the *Trademark Act* were expanded to cover all visually perceptible marks, including color trademarks, motion trademarks, and hologram trademarks.

As for restricting imitative trademarks, a new provision stipulates that when a certain trademark is recognized by domestic or foreign consumers as indicating the goods of a particular person, a third party may not register a trademark that is identical or similar to that trademark. Thus, the revised *Trademark Act* will drastically reduce the number of counterfeit trademarks and foster a culture of fair trade.

Thirdly, the period for opposing to trademarks has been extended from 30 days to 2 months from the publication date of applications. This extension is expected to boost protection for trademark holders, especially residents of foreign countries.

The opposing system is also expected to be enhanced to improve the quality of trademark examinations and prevent trademark disputes.

The *Industrial Design Protection Act* was also revised in 2006 to reinforce protection for industrial design holders. This revision, which takes effect in July 2007, greatly extends the period in which an applicant can limit the disclosure of a registered design. Before the revision, the period for requesting that a design be kept secret ended on the application date of the particular industrial design. Once the revised Act takes effect, however, that period will be extended from the application date until the payment date of the first design registration fees. The extension of this period should protect the rights of applicants by preventing others from counterfeiting a design following the disclosure of the design.

The trial system

To swiftly and accurately handle trials, we introduced the Intensive Trial System whereby the Intellectual Property Tribunal receives requests and evidence from opposing parties at the same time and organizes the evidence in preparation for an expeditious judgment.

The schedule for completing a trial used to be unknown for cases lasting less than 6 months from the request date of a trial. However, in 2006 we began providing information on the expected completion schedule of all *inter partes* trials so that the parties could submit their opinions in a timely manner and easily forecast the completion date of the trial.

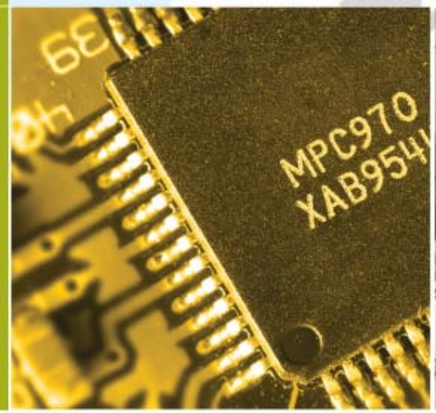
We also introduced a registration system for the individual claims of a multiclaim application. That is, we promoted the early settlement of disputes by allowing the registration of an individual claim of a multiclaim application whenever a trial decision approves the individual claim.

If multiple trials are requested for a single right, the same judge is appointed to each trial as the chief judge. Whenever necessary, an advisory body of five judges can be appointed so that their collective wisdom minimizes controversial trial results and promotes consistency of decisions.

To prevent trial delays, we prepared a method of handling documents that are returned to our office due to a party's change of address. Under this method, the returned documents are resent, but not to a previous address listed in the original register; rather, they are sent to an address confirmed by the Korean government's information sharing system called Government for Citizens (G4C).

Reinforcement of IPR protection

Anticounterfeiting measures
The anticounterfeiting reward system
Patent Consulting Center
Strengthened IPR protection for overseas Korean companies



Reinforcement of IPR protection

Anticounterfeiting measures

An investigation of counterfeit goods

The home page of the Intellectual Property Protection Center

In 1987, we established a division exclusively devoted to protecting IPRs. Since then, we have been continually investigating and cracking down on counterfeiting activities. Through IPR protection, we aim to achieve the following: to prevent unfair competition, to build a sound economic order, to respond to trade disputes, and to develop a knowledge and information society.

In 2006, we uncovered 1,094 cases of counterfeiting. Warnings were issued in 966 of those cases and criminal charges were filed in the other 128 cases.

We also imposed more stringent investigative standards on local governments to ensure that they crack down on counterfeiting activities. For instance, following discussions with the Ministry of Government Administration and Home Affairs, we decided to include the results of each local government's anticounterfeiting performance in the integrated standard for assessing local governments.

The importation, manufacture and distribution of counterfeit goods are becoming more sophisticated. To counteract this trend, we need to ensure that anticounterfeiting enforcement officers have the necessary expertise. Hence, in 2006, we sought to develop the skills and capabilities of 759 police officers, customs officers, and local government officials through a series of lectures and consultations. Conducted on 33 occasions, the lecture series focused on identifying counterfeit goods and eradicating the counterfeiting problem. We also republished booklets on the most frequently counterfeited trademarks and, for the benefit of other relevant organizations and local governments, we republished and distributed promotional material on how to identify counterfeit goods.

As in previous years, we continued to run an anticounterfeiting campaign on 114 electronic signboards in major cities such as Seoul and Busan. The campaign (which is usually conducted three times a year for a month at a time) encourages the public to boycott counterfeit goods. We back up the campaign with the distribution of about 16,000 copies of promotional material, along with additional broadcasting on cable TV (K-TV) and on Internet portal sites 〈www.naver.com〉.

In another initiative, we set up an exclusive Web site called the Intellectual Property Protection Center 〈www.kipo.go.kr/ippc〉 where we introduce various governmental policies on IPR protection and receive on-line reports of counterfeit goods directly from the public. In 2006, the center received 1,602 reports of counterfeit goods, and 398 of these reports were referred to the local police.

The anticounterfeiting reward system

KIPO introduced an anticounterfeiting reward system in 2006 to inspire vigilance for anticounterfeiting activities. Under this system, we offer rewards to various organizations and individuals with an excellent record of exposing counterfeit goods. We also offer rewards to members of the public who report the manufacture or distribution of counterfeit goods. The system has raised the general awareness of the need to eradicate the problem of counterfeit goods. The rewards range in value from 100,000 KRW (105 USD) to 10 million KRW (10,000 USD), depending on the cost of the original goods that have been counterfeited. In 2006, we granted a total of 107 rewards worth 323 million KRW (340,000 USD).

As a direct result of the reward system, there were a number of prosecutions in 2006; moreover, based on the cost of the original goods, the value of the seized goods is estimated to be worth 343 billion KRW (361 million USD). The effectiveness of the reward system is also confirmed by the 540 percent jump in reports. In 2005, there were only 250 reports of counterfeit goods, but in 2006 the number reached 1,602.

Status of the anticounterfeiting reward system in 2006

	Type	2006	
		Number of rewards	Value of rewards (million KRW)
Distributor	Wholesale and retail distribution	48	147
	Internet sales	19	41
	Warehousing	5	17
Manufacturer	Manufacturing factory	35	118
Total		107	323

Reinforcement of IPR protection

Patent Consulting Center

People with economic difficulties, particularly students, disabled persons, national meritorious persons, residents of remote areas, and SME business people, often have difficulty enlisting the services of expensive patent attorneys. We endeavored to address this problem by establishing in Seoul, in April 2005, the Patent Consulting Center. The center's competent public attorneys offer free consultations on IPR applications, registrations and trials.

In 2006, the center provided a total of 3,144 patent consultations and the average number of consultations each month increased significantly from 154 in 2005 to 262. We plan to widen the scope of the Patent Consulting Center by offering assistance in the preparation of IPR documents.

Performance of the Patent Consulting Center

Consulting period	Telephone consultations	Face-to-face consultations	On-site consultations	Instances of document assistance	Total consultations
April - December 2005(9 months)	771	383	146	87	1,387 (monthly average:154)
January - December 2006(12 months)	1,797	646	393	308	3,144 (monthly average: 262)

Strengthened IPR protection for overseas Korean companies

Korea's growing reputation for high-quality patented goods has spawned a corresponding rise in overseas IPR infringements against Korean companies. To tackle the issue, we undertook a number of measures in 2006. For instance, we continued to strengthen the capabilities of the Center for Overseas Protection of IPRs. The center now offers advice to Korean companies affected by IPR infringement overseas, as well as practical information on IPR protection.

Presentations on international IPR protection

To strengthen our IPR protection policy, we continued the practice of examining IPR infringements against Korean companies overseas. We also gave presentations in various major cities on international IPR protection, particularly for Korean companies that either operate overseas or are planning to enter international markets.

We also published and distributed guidebooks on overseas IPR protection. The guidebooks describe the IPR systems of countries where IPR infringements and disputes frequently occur, as well as various measures for dealing with infringements. The aim of the guidebooks is to prevent infringements and offer advice on dealing with disputes.

We also run the Web site of the Center for Overseas Protection of IPRs 〈http://copi.kipo.go.kr/〉 as a one-stop service for overseas IPR protection. The Web site is an IPR protection hub that brings together various resources of overseas IPR protection.

The home page of the Center for Overseas Protection of IPRs

International cooperation

KIPO-WIPO cooperation
Bilateral and trilateral cooperation
International IPR discussions
IPR issues and free trade agreements

International cooperation

KIPO-WIPO cooperation

Designation ceremony of the IIPTI as a WIPO partner international intellectual property training institute

A WIPO delegation, headed by Director General Kamil Idris, visited Korea on March 15, 2006, to acknowledge the country's contribution over the past 20 years to IPR education in developing and underdeveloped countries. During the visit, the International Intellectual Property Training Institute (IIPTI) was designated as the first WIPO partner international IP training institute.

The Korea Funds-in-Trust at WIPO was established following a 2004 agreement to strengthen multilateral cooperation with developing countries in areas such as IP education and technology transfer. From July 2004 to June 2005, we successfully implemented eight projects, including the development and distribution of PCT software. In the second year of operation, from July 2005 to June 2006, we implemented an additional seven projects, which included consultations on patent management. In July 2006, we began implementing another seven projects for the third year of operation, including an IPR workshop for the least developed countries.

The fourth heads meeting with the German Patent and Trademark Office

The e-learning course operated jointly by the IIPTI and the WIPO Worldwide Academy since 2004 was opened again in the spring and autumn of 2006. Another 167 local IPR experts completed the two courses in 2006, bringing the total number of participants to 255.

Bilateral and trilateral cooperation

The bilateral and trilateral heads meetings of 2006 were highly productive. The fourth heads meeting with the German Patent and Trademark Office (Daejeon, April 27, 2006) produced an agreement on the exchange of two patent examiners for the purpose of conducting joint prior art searches. The agreement took effect in the second half of 2006.

At our sixth heads meeting with the French National Institute of Industrial Property (Paris, September 22, 2006), we agreed on the electronic exchange of priority documents and exchanged opinions on major areas of interest, particularly IPR protection and the issue of geographical indications.

We also hosted the seventh heads meeting with the European Patent Office (Seoul, November 14, 2006). At that meeting, both offices agreed to expand cooperation by organizing a conference for specialists in the field of patent processes and the automation of IP administration.

The seventh heads meeting with the European Patent Office

Cooperation with our neighbors has also been a priority. Hence, in December 2006, we held the sixth Trilateral Policy Dialogue Meeting in Beijing with the Japan Patent Office and the State Intellectual Property Office of the People's Republic of China, where discussions focused on the exchange of patent statistical data and the direction of the trilateral patent cooperation road map.

We also held the 12th commissioners meeting with the State Intellectual Property Office of the People's Republic of China (Beijing, December 2006). At that meeting, the commissioners agreed to dispatch IP liaison officers to make the cooperation between both countries more substantial; they also agreed to expand the details of the joint prior art searches and to hold regular meetings on patent systems.

The sixth Trilateral Policy Dialogue Meeting

With regard to the Japan Patent Office, we held the 18th commissioners meeting at Tokyo in November 2006. The commissioners agreed to start the Patent Prosecution Highway on April 1, 2007; they also discussed recent revisions to the IPR regulations of both countries and international trends in the patent field.

Finally, to ensure that patent examinations are conducted with swiftness and accuracy, and to promote the unification of patent systems, we engaged in various projects pertaining to joint prior art searches. We began the seventh such project with Japan, the fourth with China, and the first with Germany.

International cooperation

International IPR discussions

The 42nd WIPO General Meeting

In 2006, we continued to actively participate in discussions on the formation of IPR norms governed by WIPO and state the Korean government's position. In particular, we contributed to the reform meetings of the Standing Committee on the Law of Patents; the Standing Committee on the Law of Trademarks, Industrial Designs and Geographical Indications; and the Intergovernmental Committee on Traditional Knowledge, Genetic Resources, and Folklore.

At the 42nd series of meetings of the Assemblies of the Member States of WIPO, which was held at the WIPO headquarters (Geneva) in September 2006, we highlighted the operational accomplishments of the Korea Funds-in-Trust at WIPO. We also emphasized that the economic growth of Korea over the past 30 years was aided by a growing awareness of the importance of IP. Moreover, we promised to actively share our expertise with regard to the promotion of IP awareness and our general accomplishments in the IP field.

Regarding the World Trade Organization's Doha Development Agenda, we actively participated in the IPR-related negotiations to establish international norms for public health, biotechnology, and the multilateral registration system of geographical indications.

In the APEC Intellectual Property Rights Experts Group, we successfully fulfilled our role as the chair country and actively participated in the IPR discussions of APEC. The group's 20th meeting was held in Seoul in February 2005. In February 2006, we handed over the role of chair country to Singapore.

IPR issues and free trade agreements

In IPR negotiations of free trade agreements (FTAs), which are aimed at the free movement of products between countries, we discussed measures to protect IPRs in line with international treaties such as the World Trade Organization's TRIPS Agreement.

The negotiations of the Korea-USA FTA, which began in February 2006, have given both sides an opportunity to understand each other's IPR laws and systems.

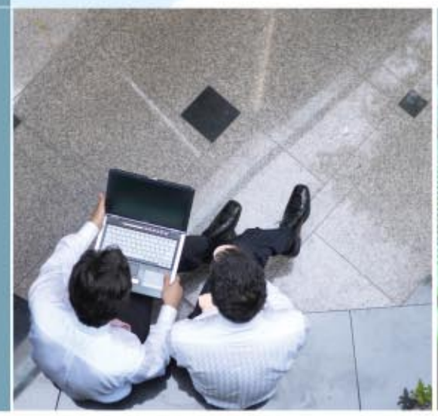
Since July 2005, Korea has also been negotiating an FTA with Canada. One of the major issues is the selection of guidelines for IPR cooperation and enforcement.

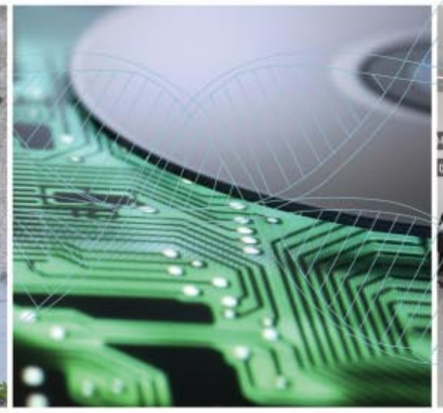
In March 2006, we commenced negotiations with India in relation to a comprehensive economic partnership agreement. The on-going discussions are aimed at improving the level of IPR protection and facilitating the acquisition of patents.

Creation and commercialization of IP

Expanded basis for IP creation

Utilization of IP





Creation and commercialization of IP

Expanded basis for IP creation

Facilitation of IP creation at national universities and research institutes

The 41st Invention Day Ceremony

The opening of the R&D Patent Center

KIPO has been supporting national universities and research institutes in the acquisition of core patents, especially by facilitating the production of patent maps in technological fields that pertain to the specialization of those particular universities and research institutes. In 2006, for example, we offered this type of support to the Seoul National University and the Korea Advanced Institute of Science and Technology. We also arranged for courses on patent information to be conducted at the graduate level of those two schools and at the undergraduate level of another 26 universities (including Yonsei University and Korea University).

One of our achievements in 2006 was the establishment of a standard model of compensation for employee inventions at universities. The new model reflects the major details of the revised *Invention Promotion Act*. We also gave a number of presentations on employee inventions.

To improve the capability of universities in managing IPRs, we dispatched patent management advisors to 10 universities. The advisors help the universities to improve their IP regulations; they provide IPR consultations to professors and students; and they give various presentations on IPRs.

In 2006, we also established the R&D Patent Center 〈www.ipr-guide.org〉. Located in Seoul, the center provides customized consultations on all the processes of patent strategies.

Regional support for IP creation

As part of the infrastructure for creating local IP, we continued to run 31 regional IP centers in 2006. The centers provide local residents with a patent information service, featuring IPR consultations, presentations, and educational programs. We also continued to run local IPR supporters associations for students, academics, patent attorneys and so on (in 16 metropolitan regions). The associations promote the creation of IP among local residents and are a source of ideas for new projects.

In 2006, we also cooperated with 16 metropolitan regions in conducting IPR forums aimed at helping local residents become more knowledgeable about IPRs and IPR procedures. The forums include presentations on various aspects of the IPR field.

In 2006, we continued to launch projects that enhance the value of local brands. For instance, we encouraged the producers of well-known local products to protect their products by utilizing a collective mark as a geographical indication; we produced brand maps for local governments; and we provided consultations on local brand strategies.

Our patent information consulting project continued to yield positive results in 2006. The project is aimed at promoting IP creation through the analysis and use of patent information. To finance this project, we matched the funds of eight local governments, including the governments of Daejeon Metropolitan City and Gyeonggi Province.

Another 2006 initiative was the patent management consultation service for SMEs. As part of this service, which focuses on SMEs with a weak patent management structure, examiners visit companies in person to provide consultations.

Nurture of student and women inventors

To develop creative human resources for the future, we continued our efforts to nurture young inventors. Between 1995 and 2006, for example, we ran 182 regional creativity classes. These classes form the infrastructure for student invention education in each region. In 2006, we also continued to run our cyber invention education center and a bricks and mortar training center to improve the proficiency of invention teachers and to decentralize invention education throughout all the regional areas. In another initiative, we continued to offer invention scholarships for talented students who participate in invention activities. By the end of

Creation and commercialization of IP

A creativity class

2006, an aggregate of 1,511 students had received this scholarship. Moreover, as in previous years, we organized a number of invention events for youth, such as the Korea Student Invention Exhibition, the Korean Student Creativity Olympiad and the University Invention Competition.

The 2006 Korean Student Creativity Olympiad

Women inventors were also the focus of our efforts to nurture creative human resources. As encouragement to women inventors, we conducted a lecture tour on women's IPRs and offered a course on the inventiveness of women. We also organized events such as a competition and exhibition for women inventors to promote the economic activities of women patent holders.

The 2006 Women Inventors Exhibition

Utilization of IP

Commercialization of patented technology

In 2006, we facilitated the commercialization of patented technologies in various ways. For example, we increased the financial support for commercialization through the Patented Technology Commercialization Committee, which comprises members of relevant government organizations. Furthermore, on May 24, 2006, we extended a scheme piloted in the previous year, by signing agreements with four private financial institutions to provide loans to SMEs and venture businesses with excellent technologies; these loans can be secured solely on the strength of the patent rights.

Transfer and trade of patented technology

To encourage the transfer and trade of patented technologies, we pursued several initiatives in 2006. First, we continued our previous practice of assisting SMEs and research institutes by subsidizing fees for the appraisal of patented technology. We also reorganized the IP-Mart by developing a technology auctioning system and a traders matching system. The reorganization, which was designed to favor technology buyers, has greatly reinforced the IP-Mart's function of promoting and supporting technological trade. Moreover, we continued to expand the patented technology database; and, as in the previous year, we joined various specialist organizations in analyzing the trends in technology transfers for private companies.

The 2006 Patent Distribution Festival

In April 2006, a new provision took effect to increase the use of patented technologies held by the government. If a government-owned technology has not been used for more than 3 years, companies can use that technology without charge for up to 2 years. Furthermore, in October 2006, we developed an on-line system of signing contracts related to the use of government-owned patents.

The 2006 Korea Invention and Patent Exhibition

In other activities, we subsidized the technological valuation of patents held by more than 1,100 universities and public research institutes. And, in November 2006, we organized a patent distribution festival, where we gave presentations and consultations on technology to support the transfer of outstanding patented technologies.

The early buyer recommendation scheme was expanded in 2006 to support outstanding patented products in the SME marketplace. In particular, we expedited the scheme so that government agencies can purchase patented products in advance.

The award ceremony for the Hundred Most Outstanding Patented Products

Finally, we continued to support the commercialization of outstanding patented products by organizing various events such as the Korea Invention and Patent Festival and the Exhibition for the Hundred Most Outstanding Patented Products.

IPR education and training

IPR education and training

The KOICA-IIPTI Seminar on IP Administration and Patent Information

KIPO's training institute, the IIPTI, fosters IP experts by providing systematic education for government officials, people from the private sector, students and international participants. The IIPTI program for 2006 comprised 153 IP courses, at an average of 13 courses a month. Fifty-seven of these courses, including the course for new examiners, were for government officials; 37, including the course for patent lawsuit cases, were for the private sector; 53, including the course for school invention teachers, were for invention promotion; and six, including the WIPO Asian-Pacific Regional Seminar, were for international participants.

The courses for government officials, which cover basic and advanced knowledge of IPRs, target KIPO examiners and judges, as well as officials from the Korea Customs Service, the Public Prosecutor's Office, the central government and local governments. The courses for the private sector target patent attorneys, IT experts, R&D experts, those in charge of IPRs in companies, as well as students and teachers. These courses aim to raise the general awareness of IPRs.

The IIPTI was established in 1987 to nurture the development of IPRs and to foster IPR experts in the Asia-Pacific region. Subsequently, in conjunction with WIPO and the Korea International Cooperation Agency (KOICA), the IIPTI has held 55 international seminars for an aggregate of 1,373 foreign participants. In 2006, the IIPTI hosted six international seminars for a total of 116 participants.

The KOICA-IIPTI Training Course on Intellectual Property Office Automation and Patent Information covers various aspects of KIPO's information technology, such as the KIPOnet system. The course, which includes a field trip to see the KIPOnet system in operation, offers lectures and discussions on ten themes, such as international trends in IP information and innovation in the IT aspects of IPR administration. In general, the KOICA course has heightened the awareness of patent officials in the Asian-Pacific region towards the development of information systems. Moreover, by promoting the exchange of information between participating countries, the course has increased cooperative support for developing countries.

In 2006, as a follow-up to the 2005 memorandum of understanding with the China Intellectual Property Training Center, we conducted a Korea-China joint seminar in Seoul for people working in the IPR field.

The Invention Education Center was opened in 2006, and more than 2,000 students, parents and teachers have participated in invention programs designed to encourage positive attitudes towards inventions.

International courses in 2006

Name of course	Number of trainees	Number of participating countries	Duration	Training schedule
WIPO-KIPO PCT Roundtable on Receiving Offices	17	7	3 days	April 25-27
WIPO-KIPO Academy on Capacity-Building in Intellectual Property for Policy Makers	28	20	3 days	June 7-9
KOICA-IIPTI Training Course on Intellectual Property Office Automation and Patent Information	15	13	14 days	Sept. 17-30
KOICA-IIPTI Training Course for Intellectual Property Experts	14	10	12 days	Oct. 30 to Nov. 10
WIPO Asia-Pacific Regional Seminar on International Negotiations and Intellectual Property	29	16	3 days	Nov. 20-22
WIPO Workshop on the Formulation and Implementation of IP Outreach Strategies for the Least Developed Countries	13	10	2 days	Dec. 6-7
Total	116	76		

The Invention Education Center

On-campus courses in 2006

Category	Training courses	Sessions	Trainees
Total	70	153	7,678
Public sector	34	57	3,329
Private sector	20	37	1,424
Invention promotion	10	53	2,309
International	6	6	116

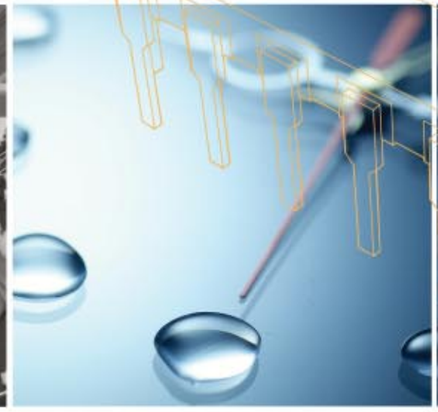
Off-campus courses of the IIPTI in 2006

Category	Sessions	Trainees
Educational tours to promote student inventions	133	9,662

Innovative work processes in IP administration

The goal of innovative management

Four innovative management initiatives



Innovative work processes in IP administration

The goal of innovative management

KIPO's goal of innovative patent administration is to become "the best administrative agency in Korea and the best patent administration agency in the world". To achieve this goal, we have exerted the utmost effort to innovate our work processes through the following four initiatives: performance-based management, the cornerstone of which is the performance management tool called the Balanced Scorecard (BSC); Six Sigma management; knowledge management; and customer-oriented management. As a result of these management initiatives, we received the highest accolade among Korea's 48 central administrative agencies by being awarded the titles of the Most Outstanding Agency for Innovation and the Most Outstanding Agency for Governmental Work, as well as a Presidential Commendation for Performance Management.

KIPO's four major innovative management initiatives

Four innovative management initiatives

Performance-based management

To accomplish our mission and vision, we have been practicing strategic performance management since 2004. The aim of this type of management is to gather data on the capabilities of individual members of staff and to facilitate staff communication. In line with this approach, we established the Performance Management Team in 2006 to manage the performance of all our human resources. In addition, we set up an on-line performance management system.

Having formulated a basic plan for managing performance, the Performance Management Team monitors the performance of each team in real time so that the basic plan can be efficiently executed. The team generally manages the performance evaluation of each group and each individual.

Our BSC system consists of a management system for group performance and a management system for individual performance, and both systems are linked to an internal network.

In the management system for group performance, we input data and compare the data with a target value. The data is derived from our major operational systems (such as the application, registration, examination and trial systems) and support systems (such as the examination assessment system and the knowledge management system). We then calculate the level of accomplishment for monitoring purposes.

In the management system for individual performance, which is used to assess individual accomplishments, the strategic goal of the group is connected with the performance goal of the individual. Various factors such as capability assessments, multisided assessments, and innovation mileage are accurately and systematically combined and reflected for the purpose of determining individual promotions and remunerations. Feedback on the results of an individual assessment is shared with the individual so that the person can use the information to establish a personal development plan.

As a result of these efforts, KIPO received two special awards in 2006: on June 13, we were awarded the Korea BSC Award; and, on December 21, we were honored with a presidential award for introducing and expanding performance-based management in the public sector. In addition, in 2005 and 2006, our successful performance management system was benchmarked by more than 50 agencies inside and outside of the country, including the Agency for Defense Development in Korea and the IP offices of India and China.

Innovative work processes in IP administration

Six Sigma management

Six Sigma is a method of improving work processes from the customers' point of view. Through statistical analysis, Six Sigma management can help us eliminate defects in the processes of applications, examinations, registrations, and policies, particularly in so far as those defects are perceived by our customers. As a result, we can standardize our work processes and provide our customers with world-class IP administration.

Six Sigma has enabled us to improve our work efficiency because our policies and examination processes are no longer based primarily on experience, intuition and custom but on rational and scientific measures. As a result, we can now see several measurable improvements. For instance, errors in examinations now occur at the negligible rate of one error every 5 years (that is, the error rate has dropped from 4.3 percent in 2002 to 1.5 percent in 2006), while the number of notices sent to the wrong address has plummeted from 7.2 percent to 0.8 percent. Moreover, our diffusion management system has successfully reduced the individual variation in the first action period of patent examinations to less than 6 months.

In May 2005, we began selecting outstanding personnel (called "black belts") as core agents of Six Sigma. By making these agents tackle innovative and problem-solving tasks off the job, we reinforced their capabilities with respect to strategic thinking and change leadership. We will also continue to reinforce the core capabilities of all our teams and individuals. Since May 2005, we have designated 740 black belts, who are currently working on 84 tasks, such as calculating the degree of difficulty for examinations in each technological field.

By connecting BSC performance management with Six Sigma, we built a general performance management system that can perform core tasks and improve our work processes. We also promote voluntary improvement of work process by providing a form of Six Sigma education called "EZ" (easy). In addition, we will continue to enlist the participation of all employees in Six Sigma management as a means of fostering a more productive organizational culture.

Finally, to improve the effectiveness of our pan-governmental IP policy, we initiated steps to connect our Six Sigma projects with agencies such as the Korea Invention Promotion Association and the Korea Institute of Patent Information.

Knowledge management

By systemizing the creation and sharing of knowledge within each team, knowledge management can drastically enhance the ability of each team to solve problems. Hence, we have been practicing knowledge management at KIPO to maximize our work efficiency in examinations and trials, to develop our digital patent information service, and to formulate more effective knowledge-based patent policies.

KIPO has a world-class information infrastructure that we use to administer Korean IPRs. We also lead the way in raising awareness of the importance of creating and using knowledge. Hence, we selected knowledge management as an innovative way of improving our problem-solving capability, particularly for the sake of maximizing the creation, sharing and use of knowledge.

In 2006, we upgraded our Knowledge Management System of 2001 and gave it a new name, Knowledge Oasis (KOASIS). In this system, all members of staff can discuss and share knowledge through the bulletin board of the KOASIS Web site. Furthermore, they can use a keyword search function to glean details of every approved document. In short, KOASIS enhances the convenience of our staff in utilizing knowledge.

By the end of 2006, we had set up 56 study groups at KIPO for each policy or technological field. With members comprised of KIPO staff and customers from various research institutes and companies, the study groups are essential for fostering the creation and sharing of knowledge and for developing a positive learning environment.

The home page of KIPO's KOASIS Knowledge Management System

Innovative work processes in IP administration

By the end of 2006, we had set up 56 study groups at KIPO for each policy or technological field. With members comprised of KIPO staff and customers from various research institutes and companies, the study groups are essential for fostering the creation and sharing of knowledge and for developing a positive learning environment.

Examiners can use the research societies to improve not only their understanding of various industries but also the quality of their examinations. The research results of each society are distributed to customers through the Web sites of the study groups or through the governmental system called Policy Customer Relationship Management. Moreover, any results that are particularly outstanding are reflected in changes to our actual work processes so that the quality of our policies and systems can be improved.

Knowledge management has clearly reinforced the efficiency of our patent examinations. It has also enhanced the knowledge capability of the general public by providing free access to patent information through commercial Internet portals.

Customer-oriented management

In 2006, we continued our zealous efforts to provide the best customer service, by taking our customer-oriented management to the next level. In particular, we established a new bureau called the Customer Support Bureau. The first of its kind among government agencies in Korea, the Customer Support Bureau has a management role in planning and mediating customer service.

We also drew up a master plan of customer satisfaction based on the continual and systematic practice of customer-oriented management.

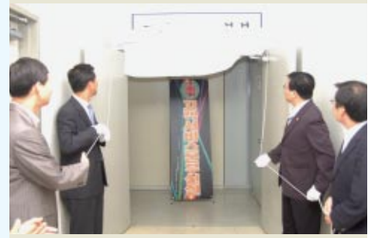
Another initiative was the formation of the Customer Experience Team. The team members endeavor to experience the patent administration service from the perspective of customers and, whenever they experience any inconveniences, they try to improve the process.

We also expanded and relocated our Patent Customer Service Center.

As a result of these efforts, our 2006 survey on customer satisfaction showed an overall satisfaction level of 71.5 points, which represents a 4.8 percent increase over the previous year.

Not content to rest on our laurels, we will continue to find new ways of improving the patent system. For example, by promoting the participation of customers and listening to suggestions from the public, and by making our documents more user-friendly and reducing the amount of required documentation. Furthermore, by returning any application and examination fees to customers when applications are withdrawn or abandoned, we intend to keep customer satisfaction at the forefront of our service.

The Customer Experience Team



Establishment of the Customer Support Bureau

The proclamation of customer-oriented management

Appendix

Applications

Applications by IPR type

IPR type	2002	2003	2004	2005	2006	Precentage change for 2006
Patents	106,136	118,652	140,115	160,921	166,189	3.3
Utility models	39,193	40,825	37,753	37,175	32,908	▽ 11.5
Subtotal	145,329	159,477	177,868	198,096	199,097	0.5
Industrial designs	37,587 (39,952)	37,607 (39,346)	41,184 (42,879)	45,222 (46,615)	51,039 (52,879)	12.9 (13.4)
Trademarks	107,876 (144,678)	108,917 (148,691)	108,464 (147,319)	115,889 (156,270)	122,384 (164,432)	5.6 (5.2)
Total	290,792 (329,959)	306,001 (347,514)	327,516 (368,066)	359,207 (400,981)	372,520 (416,408)	3.7 (3.8)

Note: Figures in parentheses include multiple applications.

PCT applications

Year	2002	2003	2004	2005	2006
Number of applications	2,511	2,942	3,565	4,690	5,919
Growth rate (%)	8.5	17.2	21.2	31.6	26.2

Note: Based on KIPO statistics.

International trademark applications under the Madrid Protocol

Period	Office of origin	Designated office
2003 April to June	18	116
2003 July to Dec.	90	1,382
2004 Jan. to June	66	2,072
2004 July to Dec.	75	2,082
2005 Jan. to June	77	2,645
2005 July to Dec.	77	4,054
2006 Jan. to June	84	3,366
2006 July to Dec.	124	5,117
Total	611	21,604

Note: KIPO started receiving International trademark applications under the Madrid Protocol on April 10, 2003.

Applications

Comparison of domestic and foreign applications

(unit: cases, %)

		Domestic		Foreign		Total
		Cases	%	Cases	%	
Patents	2002	76,570	72.1	29,566	27.9	106,136
	2003	90,313	76.1	28,339	23.9	118,652
	2004	105,250	75.1	34,865	24.9	140,115
	2005	122,188	75.9	38,733	24.1	160,921
	2006	125,476	75.5	40,713	24.5	166,189
Utility models	2002	38,662	98.6	531	1.4	39,193
	2003	40,174	98.4	651	1.6	40,825
	2004	37,167	98.4	586	1.6	37,753
	2005	36,534	98.3	641	1.7	37,175
	2006	32,193	97.8	715	2.2	32,908
Industrial designs	2002	35,399 (37,729)	94.2 (94.4)	2,188 (2,223)	5.8 (15.6)	37,587 (39,952)
	2003	34,994 (36,689)	93.1 (93.2)	2,613 (2,657)	6.9 (6.8)	37,607 (39,346)
	2004	38,041 (39,656)	92.4 (92.5)	3,143 (3,223)	7.6 (7.5)	41,184 (42,879)
	2005	41,918 (43,247)	92.7 (92.8)	3,304 (3,368)	7.3 (7.2)	45,222 (46,615)
	2006	48,018 (49,766)	94.1 (94,1)	3,021 (3,113)	5.9 (5.9)	51,039 (52,879)
Trademarks	2002	90,014 (116,760)	83.4 (80.7)	17,862 (27,918)	16.6 (19.3)	107,876 (144,678)
	2003	92,368 (122,080)	84.8 (82.1)	16,549 (26,611)	15.2 (17.9)	108,917 (148,691)
	2004	91,935 (119,836)	84.8 (81.3)	16,529 (27,483)	15.2 (16.7)	108,464 (147,319)
	2005	99,435 (129,635)	85.8 (83.0)	16,454 (26,635)	14.2 (17.0)	115,889 (156,270)
	2006	105,544 (136,590)	86.2 (83.1)	16,840 (27,842)	13.8 (16.9)	122,384 (164,432)
Total	2002	240,645 (269,721)	82.7 (81.7)	50,147 (60,238)	17.3 (18.3)	290,792 (329,959)
	2003	257,849 (289,256)	84.3 (83.2)	48,152 (58,258)	15.7 (16.8)	306,001 (347,514)
	2004	272,393 (301,909)	83.2 (82.0)	55,123 (66,157)	16.8 (18.0)	327,516 (368,066)
	2005	300,075 (331,604)	83.5 (82.7)	59,132 (69,377)	16.5 (17.3)	359,207 (400,981)
	2006	311,231 (344,025)	83.5 (82.6)	61,289 (72,383)	16.5 (17.4)	372,520 (416,408)

Note: Figures in parentheses include multiple applications.

Applications

Patent applications by technological field

Classification	Domestic	Percentage change for 2006	Foreign	Percentage change for 2006	Total	Percentage change for 2006
Agriculture	1,327 (1.1%)	23.9	136 (0.3%)	▽18.6	1,463 (0.9%)	18.2
Foodstuffs and tobacco	2,430 (1.9%)	7.5	257 (0.6%)	▽ 7.9	2,687 (1.6%)	5.8
Personal and domestic articles	3,801 (3.0%)	1.4	415 (1.0%)	▽ 4.2	4,216 (2.5%)	0.8
Health and amusement	3,209 (2.6%)	23.5	1,577 (3.9%)	14.5	4,786 (2.9%)	20.4
Preparations for medical, dental, or toilet purposes	1,718 (1.4%)	15.5	1,776 (4.4%)	12.8	3.494 (2.1%)	14.1
Separating and mixing	2,550 (2.0%)	21.7	877 (2.2%)	7.5	3,427 (2.1%)	17.7
Shaping	2,001 (1.6%)	15.6	710 (1.7%)	23.5	2,711 (1.6%)	17.6
Grinding and polishing	2,597 (2.1%)	28.9	1,004 (2.5%)	17.2	3,601 (2.2%)	25.4
Printing	869 (0.7%)	▽10.8	398 (1.0%)	11.8	1,267 (0.8%)	▽ 4.7
Transporting	8,338 (6.6%)	15.3	1,632 (4.0%)	8.3	9,970 (6.0%)	14.1
Microstructural technology and nanotechnology	277 (0.2%)	18.9	63 (0.2%)	▽ 3.1	340 (0.2%)	14.1
Chemistry in general	1,973 (1.6%)	2.5	664 (1.6%)	0.0	2,637 (1.6%)	1.9
Organic chemistry	1,020 (0.8%)	20.3	2,678 (6.6%)	10.1	3,698 (2.2%)	12.7
Organic macromolecular compounds	1,451 (1.2%)	4.9	1,694 (4.2%)	10.4	3,145 (1.9%)	7.8
Dyes, petroleum, and animal and vegetable oils	1,432 (1.1%)	▽ 5.7	1,122 (2.8%)	4.2	2,554 (1.5%)	▽ 1.6
Biochemistry	1,187 (0.9%)	15.5	530 (1.3%)	3.3	1,717 (1.0%)	11.4
Metallurgy	1,192 (0.9%)	14.4	777 (1.9%)	6.4	1,969 (1.2%)	11.1
Textiles and flexible materials	1,588 (1.3%)	▽21.8	453 (1.1%)	▽ 3.2	2,041 (1.2%)	▽18.3
Paper	174 (0.1%)	▽ 4.4	109 (0.3%)	▽19.9	283 (0.2%)	▽11.0
Building	6,579 (5.2%)	8.5	371 (0.9%)	12.8	6,950 (4.2%)	8.7
Earth or rock drilling, and mining	199 (0.2%)	14.4	25 (0.1%)	▽ 7.4	224 (0.1%)	11.4
Engines and pumps	2,367 (1.9%)	18.4	903 (2.2%)	8.3	3,270 (2.0%)	15.4
Engineering in general	2,290 (1.8%)	22.5	792 (1.9%)	17.2	3,082 (1.9%)	21.1
Lighting and heating	4,747 (3.8%)	0.3	491 (1.2%)	3.2	5,238 (3.2%)	0.5
Weapons and blasting	109 (0.1%)	▽14.8	44 (0.1%)	33.3	153 (0.1%)	-5.0
Instruments	10,643 (8.5%)	11.5	3,609 (8.9%)	5.5	14,252 (8.6%)	9.9
Horology and computing	11,071 (8.8%)	9.7	2,934 (7.2%)	▽11.0	14,005 (8.4%)	4.6
Educating and information storage	6,215 (5.0%)	▽ 4.5	2,063 (5.1%)	▽ 5.0	8,278 (5.0%)	▽ 4.6
Nucleonics	162 (0.1%)	63.6	54 (0.1%)	0.0	216 (0.1%)	41.2
Electric elements and electric techniques	22,063 (17.6%)	▽ 3.6	7,183 (17.6%)	10.4	29,246 (17.6%)	▽ 0.5
Electric circuitry and electric communication techniques	17,747 (14.1%)	▽14.6	4,621 (11.4%)	▽ 6.0	22,368 (13.5%)	▽12.9
Others	2,150 (1.7%)	13.5	751 (1.8%)	75.1	2,901 (1.7%)	24.8
Total	125,476 (100.0%)		40,713 (100.0%)		166,189 (100.0%)	3.3

Note: Others are non-classified applications.

Applications

Patent applications in biotechnology

	2002		2003		2004		2005		2006	
	Cases	Ratio	Cases	Ratio	Cases	Ratio	Cases	Ratio	Cases	Ratio
Domestic	2,025	66.9%	2,045	66.1%	2,026	62.5%	2,049	67.9%	2,606	71.1%
Foreign	1,000	33.1%	1,047	33.9%	1,215	37.5%	970	32.1%	1,058	28.9%
Total	3,025		3,092		3,241		3,019		3,664	

Note: 1.Categories classified as biotechnology in the Eight Edition of the International Patent Classification: A01H; A01K 67/00~67/04; A01N 63/00~65/00; A61K 8/97~8/99; A61K 8/64~8/68; A61K 35/12~35/76; 36/00~36/9068; A61K 38/00~38/58, 39/00~39/44, 48/00, 51/00~51/10; C02F 3/00~3/34, 11/02~11/04; C07H 19/00~21/04; C07K; C12C~M; C12N; C12P; C12Q; C12S; G01N 33/50~33/98.
2.The figures for 2006 are preliminary estimates.

Patent applications in business methods

	2002		2003		2004		2005		2006	
	Cases	Ratio	Cases	Ratio	Cases	Ratio	Cases	Ratio	Cases	Ratio
Domestic	3,616	85.3%	4,564	89.2%	4,542	87.3%	4,205	86.4%	5,106	88.9%
Foreign	623	14.7%	553	10.8%	659	12.7%	663	13.6%	636	11.1%
Total	4,239		5,117		5,201		4,868		5,742	

Note: 1. Based the Eighth Edition of the International Patent Classification.
2. The figures for 2006 are preliminary estimates.

Applications by residents of foreign countries in 2006

Residence	Patents	Utility models	Industrial designs	Trademarks	Total
Antilles	1	0	0	13	14
Argentina	1	0	0	14	15
Aruba	0	0	0	3	3
Australia	241	6	12	173	432
Austria	104	1	3	48	156
Bahamas	9	0	4	2	15
Bangladesh	0	0	0	2	2
Barbados	5	0	0	11	16
Belarus	2	0	2	0	4
Belgium	250	0	10	39	299
Belize	3	0	0	0	3
Bermuda	4	0	0	40	44
Brazil	33	0	1	26	60
Bulgaria	2	0	0	3	5
Canada	308	2	3	228	541
Cayman Islands	8	0	0	18	26
Chile	3	0	0	41	44
China	197	55	42	329	623
Colombia	0	0	0	13	13
Croatia	3	0	0	0	3
Cuba	5	0	0	6	11
Cyprus	4	0	0	11	15
Czech Republic	12	0	0	1	13
Denmark	147	1	13	50	211
Egypt	1	0	0	1	2
Estonia	1	0	1	0	2
Finland	551	0	49	28	628
France	1,402	0	115	743	2,260
Germany	3,284	6	144	848	4,282
Greece	6	0	0	10	16
Hong Kong	24	1	18	194	237
Hungary	27	0	1	10	38
India	83	0	2	26	111
Indonesia	0	0	0	25	25
Iran	1	0	0	2	3
Ireland	45	0	5	42	92
Israel	158	1	7	60	226
Italy	350	6	97	359	812
Japan	17,604	37	1,400	4,277	23,318
Jordan	0	0	0	2	2
Kuwait	0	0	0	3	23
Latvia	2	0	0	0	2
Lebanon	2	0	0	1	3

Residence	Patents	Utility models	Industrial designs	Trademarks	Total
Liechtenstein	32	0	20	8	60
Luxembourg	46	0	1	72	119
Macao, China	0	0	0	3	3
Malaysia	9	1	5	52	67
Mauritius	2	0	0	1	3
Mexico	11	0	0	40	51
Monaco	5	0	2	30	37
Netherlands	2,059	0	72	272	2,403
New Zealand	25	0	8	60	93
Norway	67	0	4	30	101
Pakistan	0	0	0	2	2
Panama	1	0	0	4	5
Paraguay	0	0	0	2	2
Philippines	1	1	0	17	19
Poland	6	0	1	5	12
Portugal	7	0	0	15	22
Puerto rico	3	0	0	4	7
Qatar	0	0	0	2	2
Russian Federation	33	0	0	6	39
San Marino	0	0	1	4	5
Saudi Arabia	6	0	0	20	26
Seychelles	2	0	0	6	8
Singapore	152	1	30	127	310
Slovakia	2	0	0	0	2
Slovenia	6	0	0	2	8
South Africa	20	0	4	18	42
Spain	90	0	19	71	180
Sri Lanka	2	0	0	2	4
Sweden	664	1	17	120	802
Switzerland	943	0	77	572	1,592
Tailand	4	0	0	33	37
Taiwan	633	495	51	366	1,545
Turkey	11	0	0	21	32
United Arab Emirates	3	0	0	34	37
United Kingdom	577	1	43	663	1,284
U.S.A.	10,368	96	732	6,302	17,498
Uruguay	0	0	0	2	2
Vanuatu	1	0	0	3	4
Vietnam	0	0	0	12	12
British Virgin Islands	33	2	4	119	158
Others	6	1	1	16	24
Total	40,713	715	3,021	16,840	61,289

Examinations

Patents and utility models

		First action					Final decisions			
		Approval of registration	Notice of preliminary rejection or amendment	Other notices	Withdrawal or abandonment	Total	Approval of registration	Rejection or cancellation	Withdrawal or abandonment or annulment or rejection	Total
Patents	2002	19,520	56,881	429	2,584	79,414	49,478	24,545	3,612	77,635
	2003	19,505	71,100	426	2,402	93,433	48,047	28,077	3,856	79,980
	2004	19,952	75,085	408	2,959	98,404	54,551	31,424	4,422	90,397
	2005	21,860	106,096	410	2,749	131,115	78,397	36,946	2,749	118,092
	2006	39,441	151,366	913	3,678	195,398	127,301	43,657	3,678	174,636
Utility models	2002	38,170	10,449	8	680	49,307	44,976	2,421	4,574	51,971
	2003	37,797	10,241	10	530	48,578	43,308	1,054	4,285	48,647
	2004	34,263	18,345	119	662	53,389	43,848	5,536	4,146	53,330
	2005	31,249	17,900	63	105	49,317	41,512	4,559	3,833	49,904
	2006	28,187	16,999	82	2	45,270	37,644	3,291	4,015	44,950

Note: The figures for 2006 are preliminary estimates.

Industrial designs and trademarks

		First action				Final decisions		
		Publication or approval of registration	Notice of preliminary rejection	Other notices	Total	Approval of registration	Rejection	Total
Industrial designs	2002	24,131 (25,390)	14,471 (15,199)	29 (29)	38,631 (40,618)	32,154 (33,721)	5,555 (5,756)	37,709 (39,477)
	2003	25,746 (27,443)	14,292 (14,919)	56 (57)	40,094 (42,419)	35,170 (37,446)	4,960 (5,234)	40,130 (42,680)
	2004	26,423 (27,502)	14,081 (14,541)	37 (37)	40,541 (42,080)	36,308 (37,765)	4,715 (4,850)	41,023 (42,615)
	2005	26,760 (27,505)	14,030 (14,452)	30 (30)	40,820 (41,987)	37,226 (38,369)	4,707 (4,828)	41,933 (43,197)
	2006	30,204 (31,335)	16,053 (16,910)	124 (124)	46,381 (48,369)	40,562 (42,183)	4,814 (5,028)	45,376 (47,211)
Trade-marks	2002	50,100 (67,635)	49,548 (67,969)	372 (437)	100,020 (136,041)	69,007 (99,415)	30,057 (37,320)	99,064 (136,735)
	2003	62,262 (79,633)	56,207 (77,762)	327 (405)	118,796 (157,800)	79,965 (110,815)	32,954 (40,415)	112,919 (151,230)
	2004	58,067 (75,389)	57,257 (79,441)	886 (1,317)	116,210 (156,147)	81,793 (113,691)	33,178 (40,492)	114,971 (154,183)
	2005	61,382 (80,128)	62,101 (88,864)	1,409 (2,008)	124,892 (171,000)	86,036 (121,552)	39,467 (45,002)	125,503 (166,554)
	2006	68,253 (88,931)	58,809 (81,126)	1,395 (1,988)	128,457 (172,045)	92,916 (130,175)	32,969 (40,351)	125,885 (170,526)

Note: Figures in parentheses include multiple applications.

Examinations

Pendency period of patents and trademarks

Average first action pendency period for patents

(unit: month)

Year	2002	2003	2004	2005	2006
Patents	22.6	22.1	21.0	17.6	9.8

Average total pendency period for patents

(unit: month)

Year	2002	2003	2004	2005	2006
Patents	28.5	30.0	29.9	26.6	19.7

Average first action pendency period for trademarks

(unit: month)

Year	2002	2003	2004	2005	2006
Trademarks	11.9	10.7	9.6	7.3	5.9

Average total pendency period for trademarks

(unit: month)

Year	2002	2003	2004	2005	2006
Trademarks	15.3	14.6	12.3	10.6	8.9

International search reports and International preliminary examination reports

Year	ISRs	IPERs
2002	2,148	1,135
2003	2,315	1,310
2004	2,913	1,035
2005	3,649	842
2006	4,753	639

Registrations

Patents and utility models

		First action					Final decisions			
		Approval of registration	Notice of preliminary rejection or amendment	Other notices	Withdrawal or abandonment	Total	Approval of registration	Rejection or cancellation	Withdrawal or abandonment or annulment or rejection	Total
Patents	2002	19,520	56,881	429	2,584	79,414	49,478	24,545	3,612	77,635
	2003	19,505	71,100	426	2,402	93,433	48,047	28,077	3,856	79,980
	2004	19,952	75,085	408	2,959	98,404	54,551	31,424	4,422	90,397
	2005	21,860	106,096	410	2,749	131,115	78,397	36,946	2,749	118,092
	2006	39,441	151,366	913	3,678	195,398	127,301	43,657	3,678	174,636
Utility models	2002	38,170	10,449	8	680	49,307	44,976	2,421	4,574	51,971
	2003	37,797	10,241	10	530	48,578	43,308	1,054	4,285	48,647
	2004	34,263	18,345	119	662	53,389	43,848	5,536	4,146	53,330
	2005	31,249	17,900	63	105	49,317	41,512	4,559	3,833	49,904
	2006	28,187	16,999	82	2	45,270	37,644	3,291	4,015	44,950

Note: The figures for 2006 are preliminary estimates.

Industrial designs and trademarks

		First action				Final decisions		
		Publication or approval of registration	Notice of preliminary rejection	Other notices	Total	Approval of registration	Rejection	Total
Industrial designs	2002	24,131 (25,390)	14,471 (15,199)	29 (29)	38,631 (40,618)	32,154 (33,721)	5,555 (5,756)	37,709 (39,477)
	2003	25,746 (27,443)	14,292 (14,919)	56 (57)	40,094 (42,419)	35,170 (37,446)	4,960 (5,234)	40,130 (42,680)
	2004	26,423 (27,502)	14,081 (14,541)	37 (37)	40,541 (42,080)	36,308 (37,765)	4,715 (4,850)	41,023 (42,615)
	2005	26,760 (27,505)	14,030 (14,452)	30 (30)	40,820 (41,987)	37,226 (38,369)	4,707 (4,828)	41,933 (43,197)
	2006	30,204 (31,335)	16,053 (16,910)	124 (124)	46,381 (48,369)	40,562 (42,183)	4,814 (5,028)	45,376 (47,211)
Trade-marks	2002	50,100 (67,635)	49,548 (67,969)	372 (437)	100,020 (136,041)	69,007 (99,415)	30,057 (37,320)	99,064 (136,735)
	2003	62,262 (79,633)	56,207 (77,762)	327 (405)	118,796 (157,800)	79,965 (110,815)	32,954 (40,415)	112,919 (151,230)
	2004	58,067 (75,389)	57,257 (79,441)	886 (1,317)	116,210 (156,147)	81,793 (113,691)	33,178 (40,492)	114,971 (154,183)
	2005	61,382 (80,128)	62,101 (88,864)	1,409 (2,008)	124,892 (171,000)	86,036 (121,552)	39,467 (45,002)	125,503 (166,554)
	2006	68,253 (88,931)	58,809 (81,126)	1,395 (1,988)	128,457 (172,045)	92,916 (130,175)	32,969 (40,351)	125,885 (170,526)

Registrations

Registrations by IPR type

IPR type	2002	2003	2004	2005	2006	Percentage change for 2006
Patents	45,298	44,165	49,068	73,509	120,782	64.3
Utility models	39,957	37,272	34,182	32,716	29,736	▽ 9.1
Subtotal	85,255	81,437	83,250	106,225	150,518	41.7
Industrial designs	27,235	28,380	31,021	33,991	34,201	0.6
Trademarks	40,588	46,023	51,104	57,872	65,818	13.7
Total	153,078	155,840	165,375	198,088	250,537	26.5

Note: Trademark registration renewals are excluded.

Comparison of domestic and foreign registrations

		Domestic		Foreign		Total
		Cases	%	Cases	%	Cases
Patents	2002	30,175	66.6	15,123	33.4	45,298
	2003	30,525	69.1	13,640	30.9	44,165
	2004	35,284	71.9	13,784	28.1	49,068
	2005	53,416	72.7	20,093	27.3	73,509
	2006	89,297	73.9	31,485	26.1	120,782
Utility models	2002	39,417	98.6	540	1.4	39,957
	2003	36,597	98.2	675	1.8	37,272
	2004	33,629	91.3	553	8.7	34,182
	2005	32,104	98.1	612	1.9	32,716
	2006	29,031	97.6	705	2.4	29,736
Industrial designs	2002	25,318	93.0	1,917	7.1	27,235
	2003	25,680	90.5	2,700	9.5	28,380
	2004	28,311	91.3	2,710	8.7	31,021
	2005	31,039	91.3	2,952	8.7	33,991
	2006	31,498	92.1	2,703	7.9	34,021
Trademarks	2002	32,678	80.5	7,910	19.5	40,588
	2003	37,718	82.0	8,305	18.0	46,023
	2004	42,325	82.8	8,779	17.2	51,104
	2005	49,751	86.0	8,121	14.0	57,872
	2006	52,824	80.3	12,994	19.7	65,818
Total	2002	127,588	83.3	25,490	16.7	153,078
	2003	130,520	83.8	25,320	16.2	155,840
	2004	139,549	84.4	25,826	15.6	165,375
	2005	166,310	84.0	31,778	16.0	198,088
	2006	202,650	80.9	47,887	19.1	250,537

Patent registrations by technological field

Classification	Domestic	Percentage change for 2006	Foreign	Percentage change for 2006	Total	Percentage change for 2006
Agriculture	581 (1.1%)	26.3	97 (0.5%)	12.8	678 (0.9%)	24.2
Foodstuffs and tobacco	1,355 (2.5%)	63.4	134 (0.7%)	36.7	1,489 (2.0%)	60.6
Personal and domestic articles	1,397 (2.6%)	52.3	264 (1.3%)	30.0	1,661 (2.3%)	48.3
Health and amusement	1,139 (2.1%)	64.1	513 (2.6%)	21.3	1,652 (2.2%)	47.9
Preparations for medical, dental, or toilet purposes	831 (1.6%)	83.0	595 (3.0%)	66.2	1,426 (1.9%)	75.6
Separating and mixing	1,370 (2.6%)	101.8	538 (2.7%)	46.2	1,908 (2.6%)	82.2
Shaping	1,266 (2.4%)	45.4	471 (2.3%)	60.8	1,737 (2.4%)	49.2
Grinding and polishing	1,193 (2.2%)	36.2	503 (2.5%)	58.2	1,696 (2.3%)	42.0
Printing	589 (1.1%)	39.6	276 (1.4%)	60.5	865 (1.2%)	45.6
Transporting	4,751 (8.9%)	66.5	1,137 (5.7%)	57.9	5,888 (8.0%)	64.7
Microstructural technology and nanotechnology	90 (0.2%)	60.7	10	100.0	100 (0.1%)	63.9
Chemistry in general	1,485 (2.8%)	32.9	416 (2.1%)	49.1	1,901 (2.6%)	36.2
Organic chemistry	671 (1.3%)	39.8	1,266 (6.3%)	58.1	1,937 (2.6%)	51.2
Organic macromolecular compounds	1,081 (2.0%)	79.6	868 (4.3%)	74.6	1,949 (2.7%)	77.3
Dyes, petroleum, and animal and vegetable oils	846 (1.6%)	101.4	523 (2.6%)	45.3	1,369 (1.9%)	75.5
Biochemistry	656 (1.2%)	▽ 6.4	276 (1.4%)	49.2	932 (1.3%)	5.2
Metallurgy	762 (1.4%)	18.0	482 (2.4%)	78.5	1,244 (1.7%)	35.8
Textiles and flexible materials	1,083 (2.0%)	45.2	358 (1.8%)	64.2	1,441 (2.0%)	49.5
Paper	134 (0.3%)	112.7	108 (0.5%)	120.4	242 (0.3)	116.1
Building	2,387 (4.5%)	64.3	218 (1.1%)	31.3	2,605 (3.5%)	60.9
Earth or rock drilling, and mining	68 (0.1%)	▽ 24.4	16 (0.1%)	433.3	84 (0.1%)	▽ 9.7
Engines and pumps	1,368 (2.6%)	51.0	520 (2.6%)	58.1	1,888 (2.6%)	52.9
Engineering in general	1,040 (1.9%)	46.5	638 (3.2%)	85.5	1,678 (2.3%)	59.2
Lighting and heating	2,173 (4.1%)	57.2	366 (1.8%)	55.1	2,539 (3.5%)	56.9
Weapons and blasting	69 (0.1%)	23.2	49 (0.2%)	122.7	118 (0.2%)	51.3
Instruments	3,533 (6.6%)	50.6	1,932 (9.6%)	83.3	5,465 (7.4%)	60.7
Horology and computing	3,429 (6.4%)	24.5	981 (4.9%)	25.1	4410 (6.0%)	24.6
Educating and information storage	3,297 (6.2%)	101.0	1,262 (6.3%)	13.1	4,559 (6.2%)	65.4
Nucleonics	37 (0.1%)	▽ 40.3	23 (0.1%)	▽ 25.8	60 (0.1%)	▽ 35.5
Electric elements and electric techniques	8,609 (16.1%)	62.8	3,722 (18.5%)	41.9	1,2331 (16.8%)	55.9
Electric circuitry and electric communication techniques	6,124 (11.5%)	30.1	1,531 (7.6%)	11.5	7,655 (10.4%)	25.9
Others	2	▽ 33.3	0	0	2	▽ 33.3
Total	53,416	51.4	20,093	45.8	73,509	49.8

Note: 1. "Others" refers to non-classified applications.
2. The figures are preliminary estimates.

Patent registrations in biotechnology

	2002		2003		2004		2005		2006	
	Cases	Ratio	Cases	Ratio	Cases	Ratio	Cases	Ratio	Cases	Ratio
Domestic	705	66.9%	730	66.1%	1,243	62.5%	1,490	67.9%	1,911	71%
Foreign	350	33.1%	331	33.9%	373	37.5%	532	32.1%	778	29%
Total	1,055		1,061		1,616		2,022		2,689	

Note: Based on the following biotechnological categories of the Eighth Edition of the International Patent Classification: A01H; A01K 67/00~67/04; A01N 63/00~65/00; A61K 8/97~8/99; A61K 8/64~8/68; A61K 35/12~35/76; 36/00~36/9068; A61K 38/00~38/58, 39/00~39/44, 48/00, 51/00~51/10; C02F 3/00~3/34, 11/02~11/04; C07H 19/00~21/04; C07K; C12C~M; C12N; C12P; C12Q; C12S; G01N 33/50~33/98.

Patent registrations in business methods

	2002		2003		2004		2005		2006	
	Cases	Ratio	Cases	Ratio	Cases	Ratio	Cases	Ratio	Cases	Ratio
Domestic	694	89.4%	909	93.1%	1,215	91.6%	1,242	87.3%	1,669	85.4%
Foreign	82	10.6%	67	6.9%	112	8.4%	193	12.7%	286	14.6%
Total	776		976		1,327		1,435		1,955	

Note: Based on the Eighth Edition of the International Patent Classification.

Registrations

Registrations by residents of foreign countries in 2006

Residence	Patents	Utility models	Industrial designs	Trademarks	Total
Argentina	2	0	0	11	13
Australia	177	6	4	134	321
Austria	73	1	0	58	132
Bahamas	2	0	2	5	9
Barbados	2	0	0	9	11
Belarus	3	0	0	1	4
Belgium	111	1	21	90	223
Bermuda	1	0	0	31	32
Brazil	12	0	1	28	41
Bulgaria	0	0	0	12	12
Canada	140	2	24	138	304
Cayman Islands	6	0	0	14	20
Chile	0	0	0	26	26
China	105	47	31	421	604
Colombia	0	0	0	2	2
Costa Rica	1	0	0	2	3
Croatia	3	0	0	1	4
Cuba	2	0	0	2	4
Cyprus	5	0	0	7	12
Czech Republic	1	0	0	9	10
Denmark	111	0	9	88	208
Estonia	0	0	1	1	2
Finland	263	1	39	42	345
France	942	2	112	828	1,884
Germany	2,686	5	133	1,078	3,902
Gibraltar	0	0	0	2	2
Greece	3	0	0	4	7
Hong Kong, China	23	2	9	122	156
Hungary	16	0	0	8	24
Iceland	0	0	0	3	3
India	30	0	0	12	42
Indonesia	3	0	0	19	22
Iran	0	0	0	4	4
Ireland	16	0	1	42	59
Isle of Man	3	0	0	3	6
Israel	84	0	4	28	116
Italy	208	5	96	561	870
Japan	16,406	33	1,366	2,769	20,574
Latvia	0	0	0	5	5
Liberia	0	0	0	2	2
Liechtenstein	16	0	15	19	50
Luxembourg	21	0	0	73	94
Macau, China	0	0	0	5	5

Registrations

Registrations by residents of foreign countries in 2006

Residence	Patents	Utility models	Industrial designs	Trademarks	Total
Malaysia	1	0	3	21	25
Mauritius	0	0	0	9	9
Mexico	3	0	0	68	71
Monaco	6	0	0	21	27
Netherlands	1,037	0	50	281	1,368
Netherlands Antilles	13	0	0	3	16
New Zealand	13	0	8	30	51
Norway	58	0	12	33	103
Panama	2	0	0	4	6
Philippines	0	1	0	12	13
Poland	1	0	0	11	12
Portuga	3	0	1	22	26
Qatar	0	0	0	3	3
Rumania	1	0	0	3	4
Russian Federation	12	1	0	37	50
Samoa	0	2	0	1	3
San Marino	0	0	0	5	5
Saudi Arabia	4	0	2	6	12
Seychelles	0	0	0	4	4
Singapore	34	0	16	111	161
Slovakia	1	0	0	3	4
Slovenia	7	0	0	1	8
South Africa	12	0	0	6	18
Spain	51	0	2	114	167
Sri Lanka	0	0	0	3	3
Swaziland	1	0	1	0	2
Sweden	517	2	13	146	678
Switzerland	691	0	56	523	1,270
Taiwan	293	485	33	188	999
Thailand	1	0	0	34	35
Turkey	3	0	0	29	32
United Arab Emirates	2	0	0	11	13
United Kingdom	434	2	32	563	1,031
USA	6,784	106	602	3.858	11,350
Venezuela	1	0	0	6	7
Vietnam	0	0	0	21	21
British Virgin Islands	16	0	0	67	83
Others	6	1	4	17	28
Total	31,485	705	2,703	12,994	47,887

Note: The figures are preliminary estimates.

Trials and appeals

Petitions

	IPR type	2002	2003	2004	2005	2006
Ex parte	Patents	2,902	3,300	4,183	6,366	8,821
	Utility models	239	234	282	307	278
	Industrial designs	139 (139)	127 (129)	146 (146)	153 (153)	119 (119)
	Trademarks	1,588 (2,261)	1,788 (2,338)	2,024 (2,749)	2,602 (3,803)	2,654 (3,846)
	Subtotal	4,868 (5,541)	5,449 (6,001)	6,635 (7,360)	9,428 (10,629)	11,872 (13,064)
Inter partes	Patents	474	521	615	776	904
	Utility models	648	554	545	479	487
	Industrial designs	420 (421)	467 (475)	398 (426)	327 (331)	384 (427)
	Trademarks	1,319 (1,414)	1,407 (1,598)	1,474 (1,833)	1,744 (2,066)	1,844 (2,229)
	Subtotal	2,861 (2,957)	2,949 (3,148)	3,032 (3,419)	3,326 (3,652)	3,619 (4,047)
Total	Patents	3,376	3,821	4,798	7,142	9,725
	Utility models	887	788	827	786	765
	Industrial designs	559 (560)	594 (604)	544 (572)	480 (484)	503 (546)
	Trademarks	2,907 (3,675)	3,195 (3,936)	3,498 (4,582)	4,346 (5,869)	4,498 (6,075)
	Subtotal	7,729 (8,498)	8,398 (9,149)	9,667 (10,779)	12,754 (14,281)	15,491 (17,111)

Note: 1. Figures in parentheses include multiple applications.
2. The figures for 2006 are preliminary estimates.

Actions

	IPR type	2002	2003	2004	2005	2006
Ex parte	Patents	2,620	2,477	3,456	5,772	8,911
	Utility models	235	210	244	335	367
	Industrial designs	116 (116)	131 (131)	150 (150)	144 (144)	125 (125)
	Trademarks	1,397 (1,866)	1,601 (2,208)	1,883 (2,451)	2,198 (3,114)	2,539 (3,622)
	Subtotal	4,368 (4,837)	4,419 (5,026)	5,733 (6,301)	8,449 (9,365)	11,942 (13,025)
Inter partes	Patents	402	359	595	800	882
	Utility models	531	518	632	706	490
	Industrial designs	341 (342)	439 (445)	435 (449)	374 (391)	340 (381)
	Trademarks	1,248 (1,302)	1,385 (1,510)	1,480 (1,755)	1,590 (1,888)	1,682 (2,008)
	Subtotal	2,522 (2,577)	2,701 (2,832)	3,142 (3,431)	3,470 (3,786)	3,394 (3,761)
Total	Patents	3,022	2,836	4,051	6,572	9,793
	Utility models	766	728	876	1,041	857
	Industrial designs	457 (458)	570 (576)	585 (599)	518 (535)	465 (506)
	Trademarks	2,645 (3,168)	2,986 (3,781)	3,363 (4,206)	3,788 (5,003)	4,221 (5,630)
	Subtotal	6,890 (7,414)	7,120 (7,858)	8,875 (9,732)	11,919 (13,151)	15,336 (16,786)

Note: 1. Figures in parentheses include multiple applications.
2. The figures for 2006 are preliminary estimates.

Trials and appeals

Successful petitions

	IPR type	2002	2003	2004	2005	2006
Ex parte	Patents	403 (45.5)	396 (43.7)	684 (40.3)	1,087 (39.7)	1,727 (43.1)
	Utility models	75 (48.4)	96 (48.7)	101 (42.3)	137 (41.9)	128 (36.1)
	Industrial designs	18 (32.7)	51 (58.0)	35 (41.7)	21 (22.3)	43 (51.8)
	Trademarks	945 (50.6)	1,093 (49.5)	1,354 (55.2)	1,491 (47.9)	1,980 (54.9)
	Subtotal	1,441 (48.7)	1,636 (48.1)	1,174 (48.7)	1,736 (43.6)	3,878 (48.2)
Inter partes	Patents	175 (43.5)	163 (45.4)	325 (54.6)	426 (53.3)	464 (53.2)
	Utility models	208 (39.2)	191 (36.9)	292 (46.2)	350 (49.6)	263 (54.0)
	Industrial designs	187 (54.7)	229 (51.5)	242 (53.9)	206 (52.7)	219 (57.9)
	Trademarks	726 (55.8)	984 (65.2)	1,130 (64.4)	1,196 (63.6)	1,214 (61.0)
	Subtotal	1,296 (50.3)	1,567 (55.3)	1,989 (60.0)	2,178 (57.5)	2,160 (58.0)
Total	Patents	578 (44.9)	559 (44.2)	1,009 (44.0)	1,513 (42.8)	2,191 (44.9)
	Utility models	283 (41.3)	287 (40.1)	393 (45.3)	487 (47.1)	391 (46.4)
	Industrial designs	205 (51.8)	280 (52.5)	277 (52.0)	227 (46.8)	262 (56.8)
	Trademarks	1,671 (52.7)	2,077 (55.9)	2,484 (59.1)	2,687 (53.7)	3,194 (57.1)
	Subtotal	2,737 (49.4)	3,203 (51.4)	4,163 (52.7)	4,914 (48.6)	6,038 (51.3)

Note: 1. The successful petitions refer to the number of petitions granted. These figures exclude cases where the registration was decided on the basis of an examiners's reconsideration before a trial and invalidation of a patent process. The figures in parentheses indicate the percentage of the petitions granted.
2. The figures for 2006 are preliminary estimates.

Comparison of domestic and foreign trial requests

	2002		2003		2004		2005		2006	
	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign
Patents	1,926	1,450	2,339	1,482	3,133	1,665	4,362	2,780	6,212	3,513
Utility models	866	21	780	8	812	15	771	15	758	7
Industrial designs	513	47	554	50	538	34	456	28	515	31
Trademarks	2,179	1,496	2,505	1,431	2,890	1,692	3,432	2,437	3,334	2,741
Total	5,484	3,014	6,178	2,971	7,373	3,406	9,021	5,260	10,819	6,292

Note: Multiple applications for trademarks and industrial designs are treated as single applications.

Revenue and expenditure

Revenue

(unit: billion KRW)

	2005	2006	2007
Revenue from goods and services	190.379	234.427	242.055
Revenue carried over from the previous year	4.291	26.412	37.242
Internal revenue and others	30.332	37.134	31.822
Total	225.020	297.973	311.119

Expenditure

(unit: billion KRW)

	2005	2006	2007
Major projects	108.720	203.107	210.798
Basic projects	13.492	16.208	13.389
Labor costs	58.769	74.224	79.127
Reserve fund	6.038	4.434	7.805
Deposit for special budget	38.000	-	-
Total	225.020	297.973	311.119

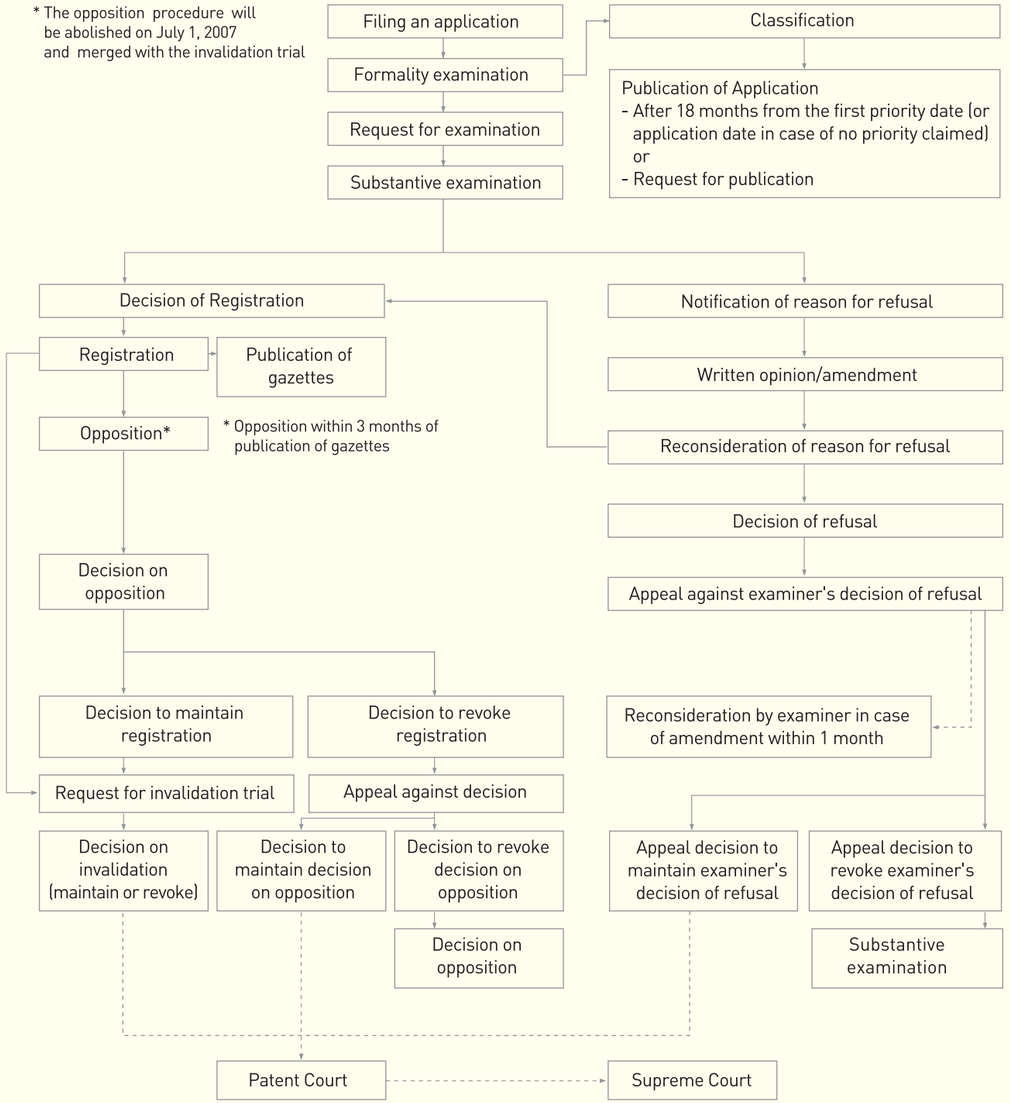
KIPO staff

(unit: billion KRW)

		2003	2004	2005	2006	2007
Examiners	· Patents and utility models	513	558	728	727	711
	· Industrial designs	18	18	26	26	26
	· Trademarks	88	94	114	113	113
Appeal judges		41	41	49	79	99
Clerical staff		466	495	575	572	579
Total		1,126	1,206	1,492	1,517	1,528

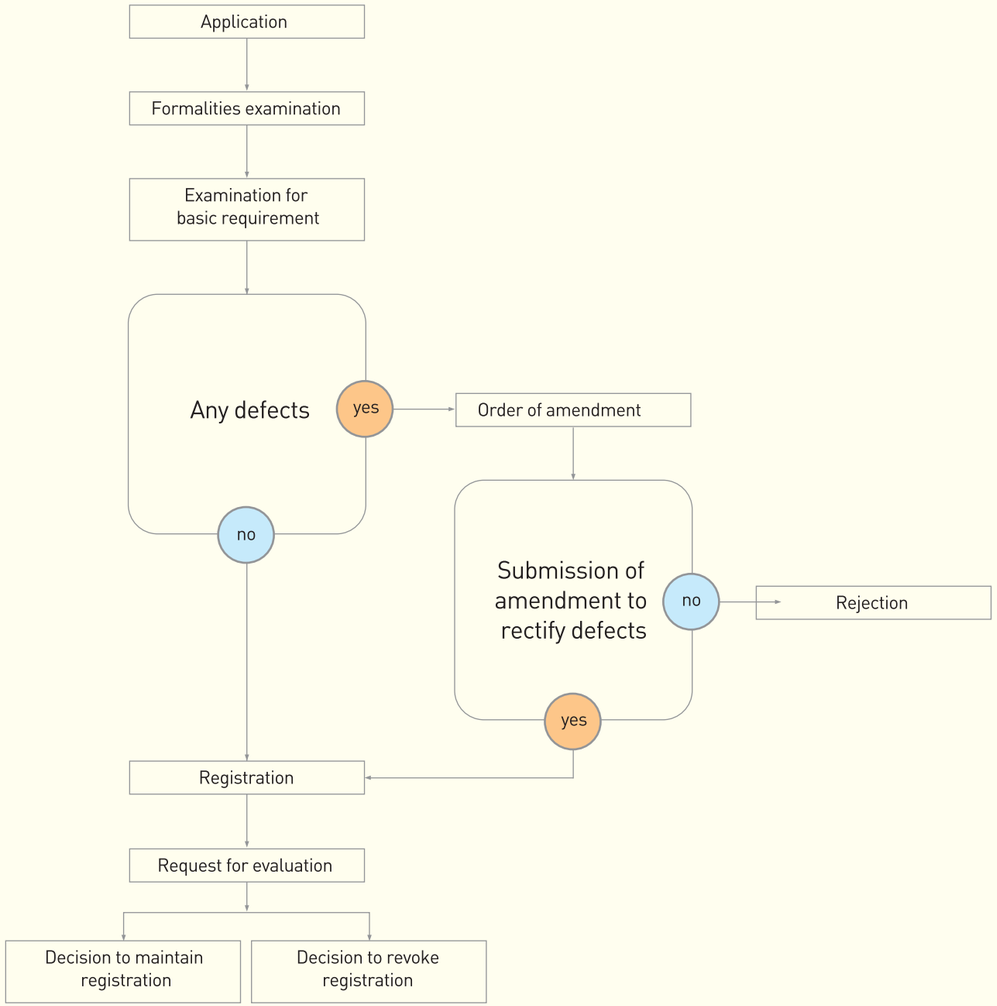
Flow chart for examinations

Procedure for Granting Patents and Utility Models



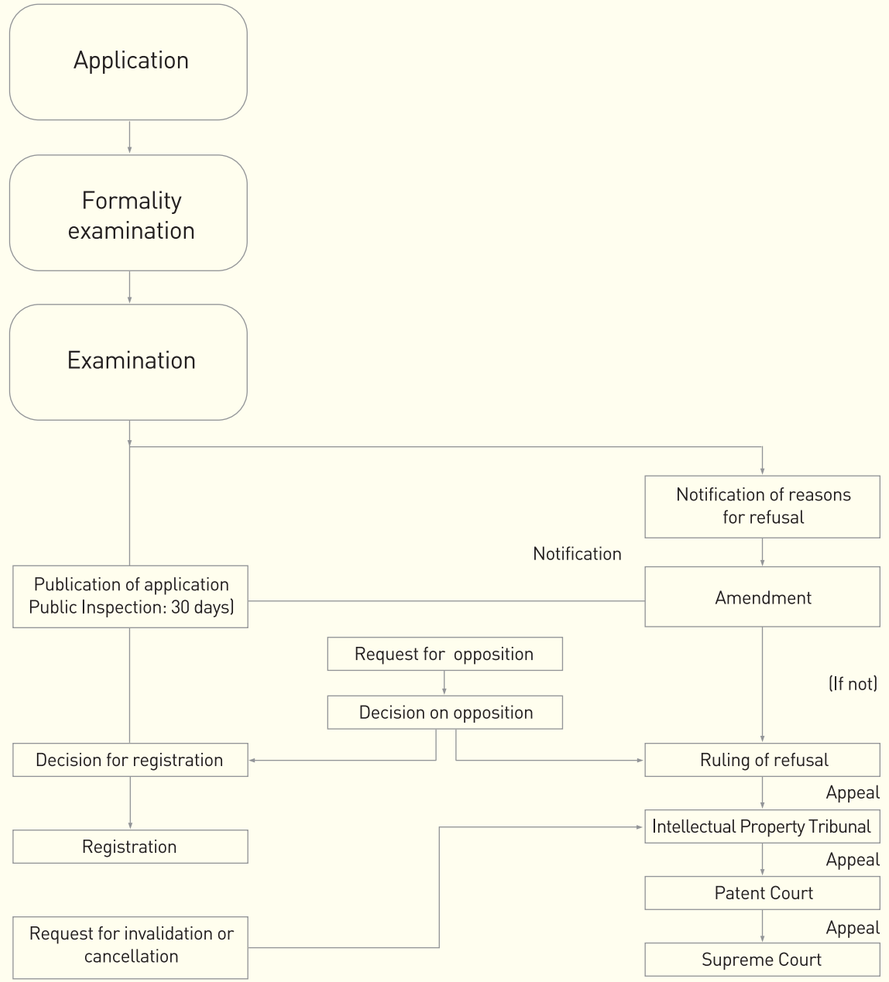
Flow chart for examinations

Procedure for Granting a Utility Model (under old act before October 1. 2006)



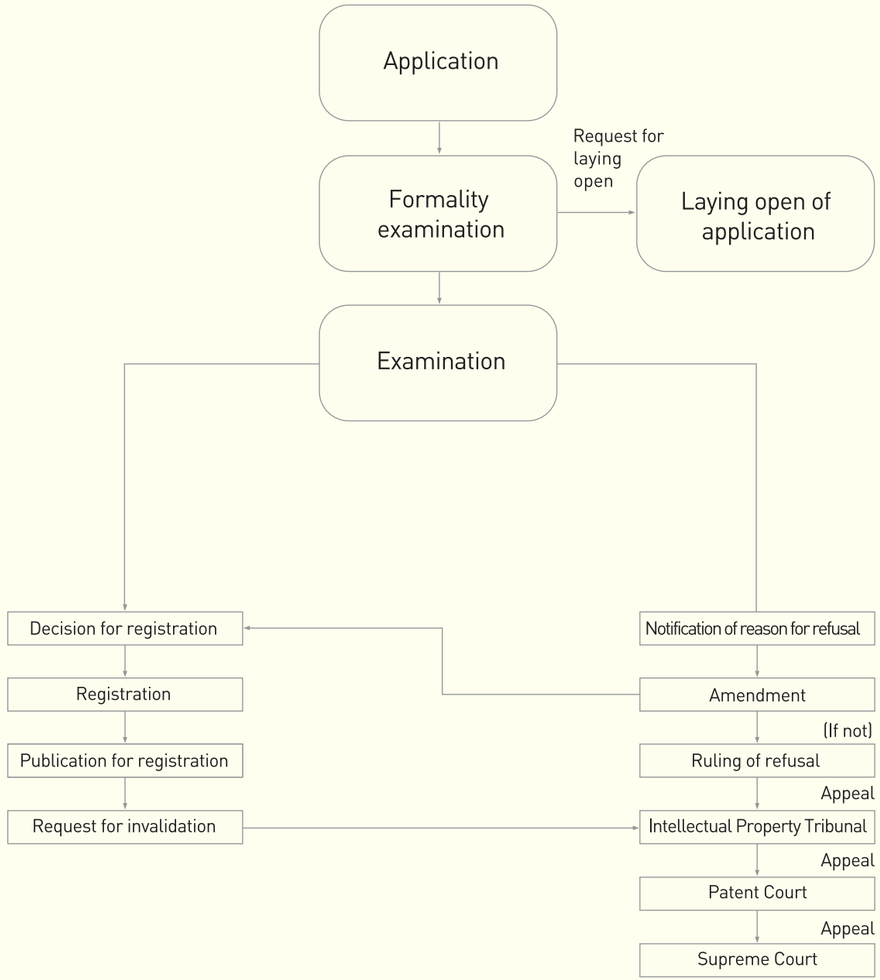
Flow chart for examinations

Trademarks



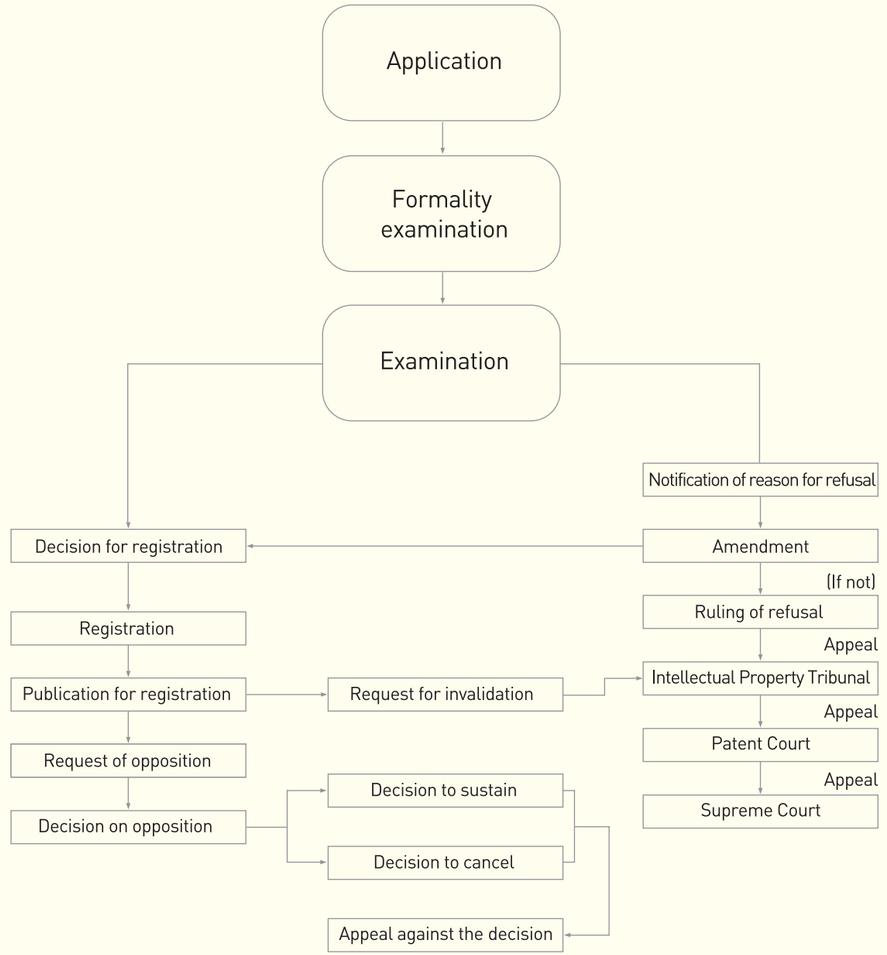
Flow chart for examinations

Substantive Examination for Industrial Designs



Flow chart for examinations

Nonsubstantive Examination for Industrial Designs



Organizational chart of KIPO

Commissioner

Deputy Commissioner

Audit and Inspection Team

Management Support Team

Management Innovation and Public Relations Bureau

- Innovation Planning Team
- Performance Management Team
- Human Resources Development Team
- Finance and Planning Team
- Public Relations Team
- Administrative and Legal Affairs Team
- Examination Review Team

Industrial Property Policy Bureau

- Industrial Property Policy Team
- Industrial Property Promotion Team
- Industrial Property Protection Team
- Industrial Property Human Resource Team
- International Cooperation Team
- International Organization Team

Information Policy Bureau

- Information Planning Team
- Information Development Team
- Information Management Team
- IT Infrastructure Team
- Technical Cooperation Team

Customer Support Bureau

- Customer Service Team
- Application Service Team
- International Application Team
- Registration Service Team

Intellectual Property Tribunal (Chair)

- Chief Presiding Administrative Tademark/Patent Judge
- Presiding Administrative Tademark/Patent Judge
- Chief Administrative Tademark/Patent Judge
- Administrative Tademark/Patent Judge
- Tribunal Administration Team
- Litigation Team

International Intellectual Property Training Institute

- Planning and Management Team
- IP Education for Public Sector Team
- IP Education for Private Sector Team

Seoul Branch Office

- Administrative Division
- Application and Registration Service Division
- Electronic Documentation Division

Trademark and Design Examination Bureau

- Trademark and Design Examination Policy Team
- Trademark Examination Team Ⅰ
- Trademark Examination Team Ⅱ
- Trademark Examination Team Ⅲ
- Service Mark Examination Team
- International Trademark Examination Team
- Design Examination Team Ⅰ
- Design Examination Team Ⅱ

Machinery, Metals and Construction Examination Bureau

- General Machinery Examination Team
- Automobile Examination Team
- Transport Machinery Examination Team
- Prime Mover Machinery Examination Team
- Precision Machinery Examination Team
- Air-Conditioning Machinery Examination Team
- Mechatronics Examination Team
- Metals Examination Team
- Construction Technology Examination Team
- Semiconductor Intellectual Property Promotion Team

Chemistry and Biotechnology Examination Bureau

- Biotechnology Examination Team
- Organic Chemistry Examination Team
- Inorganic Chemistry Examination Team
- Fine Chemistry Examination Team
- Environmental Chemistry Examination Team
- Pharmaceutical Examination Team
- Textile and Consumer Goods Examination Team
- Food and Biological Resources Examination Team

Electric and Electronic Examination Bureau

- Patent Examination Policy Team
- Electric Examination Team
- Electronic Examination Team
- Semicondutor Examination Team
- Electronic Parts and Components Examination Team
- Electronic Commerce Examination Team
- Ubiquitous Examination Team

Information and Communications Examination Bureau

- Telecommunications Examination Team
- Information Systems Examination Team
- Imaging Devices Examination Team
- Computer Examination Team
- Display Examination Team
- Digital Broadcasting Examination Team
- Network Examination Team