

# Strengthening IPR Protection



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2023 Korean Wave Festival  
Performers play traditional Korean drums at the 2023 Korean Wave Festival.

# Protection of Trade Secrets through Customized Consultations

## Intellectual Property Protection Policy Division

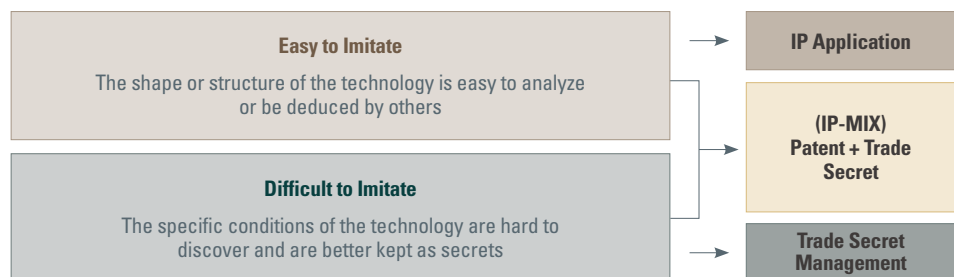
As trade secrets are valuable IP assets that give companies a competitive edge in the marketplace, KIPO has been supporting SMEs, universities, and public research institutes which have experienced difficulties to protect their trade secrets and advanced technologies. Starting in 2023, KIPO launched “IP-MIX strategy consulting” emphasizing the use of multiple forms of IP rights (i.e., patents, trademarks, copyrights, and trade secrets) for secure protection as well as expanded legal advisory support to have more comprehensive defense against misappropriation and infringement of IP.

It is particularly important to ensure protection of trade secrets because loss of their value can lead to significant financial and reputational damage, loss of competitive advantage, and potentially irreversible consequences for a company’s market position. Companies without an effective strategy to sufficiently protect their technology are vulnerable to third-party misappropriation and theft

of their unprotected technologies by competitors. Also, they may not be able to receive the appropriate compensation or legal remedies. In 2022, the amount of damage over 5 years caused by core technology leaked abroad is estimated to be about KRW 22 trillion (source: National Intelligence Service) and damages by SME technology leakage is about KRW 282.7 billion (source: Ministry of SMEs and Startups).

More specifically, the IP-MIX strategy consulting encourages companies to create strategies for optimal technology protection by combining trade secret protection with other IP rights, like patents or trademarks. KIPO sends technology protection experts to visit the companies for on-site consultations on how to better protect their technologies from being targeted or imitated by competitors and latecomers in the market. This integrated approach allows companies to safeguard their proprietary information through trade secret management while also

### Example of IP-MIX Strategy Recommendation



securing exclusive rights through other IP mechanisms. For example, based on the characteristic of the technology, those that are easily replicable are recommended to be protected as patents, while those with aspects that are difficult to discern (e.g., temperature or pressure of a process) are recommended to be protected as trade secrets.

Moreover, KIPO is also expanding the consultation services for expert legal guidance for SMEs, universities, and public research institutes affected by trade secret leaks or infringement. Ongoing legal advice will continue to be provided by lawyers from KIPO's Trade Secret Protection Center to guide companies on possible legal remedies and response methods for trade secret theft or misappropriation. Now additionally, more comprehensive "on-site Technology Protection Consultation" will be jointly provided by both lawyers

and KIPO's Tech Police officers to provide legal advice as well as guidance on reporting and investigative procedures. By collaborating with law enforcement and other authorities to address trade secret misappropriation and infringement, the partnership ensures that companies have recourse through legal avenues when dealing with theft or misappropriation of their trade secrets.

Ultimately, KIPO aims to provide a robust framework for companies to protect their IP assets with a specific focus on the integration of various forms of protection, effective trade secret management, and collaboration with enforcement authorities. Through this initiative, companies can better navigate the complexities of IP protection in a dynamic and evolving landscape and utilize trade secrets to encourage innovation and investment which fosters technological advancement and economic growth.

# Publication of a Guidebook on Anti-Counterfeit Technologies

## Intellectual Property Protection Policy Division

In response to damages caused by the growing number of counterfeit products both domestically and internationally, various technologies are rapidly evolving to reduce damages caused by counterfeits, such as network-based authentication systems and blockchain. However, a general lack of awareness of these anti-counterfeiting technologies and a lack of information on utilization methods have made it difficult for companies to implement them on their product.

In October 2023, KIPO published the "2023 Anti-Counterfeit Technology Guidebook" in the effort to help companies prevent and minimize damages from counterfeit products. The Guidebook includes information on the latest technologies that be used by companies to help distinguish between genuine and fake products,

track the distribution history, or prevent falsification of genuine products.

The first section of the Guidebook outlines evaluation factors that need to be considered when utilizing technologies for anti-counterfeiting, including technology-specific evaluation factors (① ease of implementation, ② reliability of assessment ③ ease of use, ④ applicability ⑤ expandability) as well as general guidelines and precautions. The second section provides information on currently-known technologies used to combat counterfeit products, such as network-based authentication, genuine identification labels, physical security markings, blockchain, and digital media copy protection. Detailed explanations are included on each of their features, advantages and disadvantages, actual cases studies of utilization, and

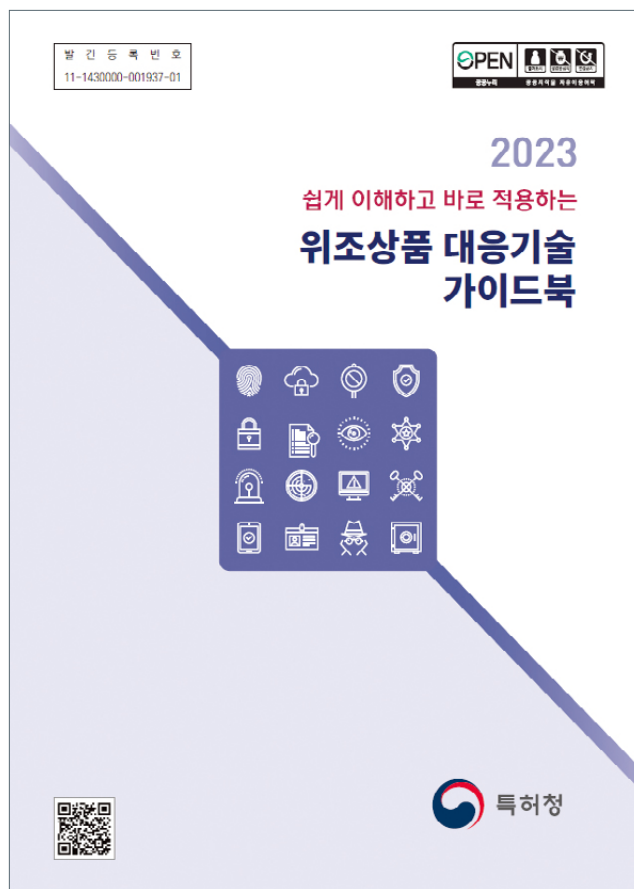
### Examples of Technologies for Anti-Counterfeiting

Type	Specific Technologies
Network-Based Authentication	Long-distance remote authentication systems (RFID), Near Field Communication (NFC) technology, barcodes, QR codes, electronic seals, magnetic stripes, etc.
Genuine Identification Labels	Holograms, seals, fabric labels, tags, double printing labels, etc.
Physical Security Markings	Laser engraving, security seals, special box cuts, security films, etc.
Hidden Genuine Markings	Phrases using nanotechnology, special patterns, DNA coding, special particles, etc.
Blockchain	Transaction data shared and approved by all participants
Digital Media Copy Protection	Digital Rights Management (DRM), Automatic Content Recognition technologies, etc.

recommended industries. The final section introduces 12 companies which are public and private holders of the featured technologies. This information will help enterprises have a better chance to utilize the anti-counterfeit technologies to protect their product.

To ensure accessibility to many companies, the Guidebook has been published on KIPO's official website ([www.kipo.go.kr](http://www.kipo.go.kr)), the Korea Trade-Investment Promotion Agency's website ([www.dream.kotra.or.kr](http://www.dream.kotra.or.kr)), and the Korean Intellectual Property Protection Agency's website ([www.ip-navi.or.kr](http://www.ip-navi.or.kr)).

#### 2023 Anti-Counterfeit Technology Guidebook



# Issuance of the World’s First Purple Notice in the Field of IP Rights

## Technology & Design Police Division

The International Criminal Police Organization (INTERPOL) is the world’s largest international police organization that facilitates trans-national communication and cooperation among law enforcement. In 2023, KIPO’s Technology & Design Police (Tech Police) and the Korean National Police Agency were able to issue the first INTERPOL Purple Notice regarding recent forms of design infringement crimes. Especially as trans-national criminal methods become more sophisticated, it is important to engage in open communication and information sharing on a global scale.

As one of eight notices issued by INTERPOL, a “Purple Notice” is issued for the purpose of sharing and collecting information on methods of criminal operation among 196 member countries to prevent similar crimes abroad. This allows law enforcement agencies in each country to detect similar crimes early on, carry out effective investigations, and make criminal arrests related with design infringement. The notice initiated by the ROK is the world’s first time a Purple Notice has been issued for crimes specifically related to IP rights.

In particular, this Purple Notice contains information on new criminal methods related to design infringement and imitation of product designs through the sale of counterfeit “loss goods.” Loss goods refer to surplus units bought by brand companies from manufacturing contractors to cover potential defects. These surplus units, which are the same in quality but without the brand logo, can be then sold. In the ROK case, counterfeiters would make similar looking products with different materials to cause confusion as genuine “loss goods” and sold for a higher profit.

By issuing this Purple Notice, ROK is actively engaging in international law enforcement cooperation, which highlights the ROK’s commitment to protecting IP rights on a worldwide level, even in criminal matters. The ROK will continue comprehensive efforts for global protection of IP rights and enhance information sharing on the production and distribution of counterfeits with INTERPOL to address IP infringement crimes, both domestically and internationally.

### Eight Types of INTERPOL Notices



source: [www.interpol.int](http://www.interpol.int)

# Rise of National Competitiveness with Improved IP Protection

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## **Intellectual Property Protection Policy Division**

Every year, the International Institute for Management Development (IMD) publishes its “World Competitiveness Yearbook” that ranks 64 nations based on economic and social indicators. In particular, the IP protection ranking is measured by the competitiveness and effectiveness of a nation’s IP protection in fostering and leveraging IP assets for economic growth and innovation. In 2023, the ROK’s ranking for IP protection showed a significant increase by climbing nine places from the previous year (from 37th to 28th place).

Specifically, the IMD evaluates 336 criteria under four main factors: economic performance, government efficiency, business efficiency, and infrastructure. IP protection is one of five indicators related to IP within the sub-section “scientific infrastructure” of the infrastructure sector. The ranking is made considering data such as the duration and scope of protection, enforcement measures, and penalties for infringement.

On one hand, the ROK holds top rankings for quantitative IP-related indicators, such as the number of patent applications and the number of registrations. Both of these rankings have maintained their positions at 4th place from the previous year. Also, the number of patent applications per 100,000 population has remained at 2nd place,

and the number of effective patents per 100,000 population rose from 4th to 3rd place.

In contrast, IP protection had remained outside the top 30 until 2023, which indicated a need for improvement. The recent significant advancement in IP protection ranking could be attributed to the focused efforts of the ROK government. This includes increasing penalties for IP infringement and illegal transfer of technology, arresting offenders through investigation by KIPO’s Tech Police, reinforcing enforcement of counterfeit goods, encouraging the use of IP dispute and resolution systems, and organizing IP protection seminars and education for businesses.

It is especially important to continually strengthen IP protection as it serves as a cornerstone of innovation, economic development, consumer protection, cultural preservation, and global trade. Through strong IP laws and robust enforcement, the rights of innovators and creators can be safeguarded and contribute to the advancement of society and the economy. KIPO will continue to do its utmost to ensure that the valuable intangible assets of companies are thoroughly protected both domestically and internationally.