Experience of the Korean Intellectual Property Office



| September 2003 |

Korea's Invention Promotion Activities

Contents

Foreword	Korean Approach to Invention Promotion	5
Chapter 1	Recent Trends in the Intellectual Property Field	6
	Changes in the Intellectual Property Field and Domestic Policies on Invention Changes in Intellectual Property Administration Developments in Policies for Promoting Domestic Inventions	6 6 7
Chapter 2	Building a Conducive Environment for Creating Intellectual Property	9
	 Cultivating Creative Young Inventors Invention Clubs Promotion of Invention Classes Events for Promoting Student Invention Activities Promotion of Invention Education Among Various Organizations 	9 12 14 17
	 IPR Acquisition Campaign for SMEs Background Measures for Promoting IPR Acquisition for SMEs Support for the Promotion of Technology Development Support System for IPR Acquisition 	18 18 18 21 21
	 III. Strengthened Support for Women's Invention Activities 1. Program for Promoting Women's Inventions 2. Promotional Activities for the Businesses of Women Inventors 3. Infrastructure for Promoting Women's Invention Activities 	25 25 27 28
	 IV. Invention Promotion Infrastructure 1. Expanded Cooperation on IP Administration Among Academia, Industry and Research Institutes 2. Promotion of Employee Inventions 3. Improved Patent Information Delivery Systems 4. Development and Publication of Patent Maps 	30 30 32 34 38
Chapter 3	Promotion of IP Commercialization	41
	 I. Support for Stimulating the Trade of Patented Technologies Diversification of the Patented Technology Trade System 41 Infrastructure for Objective Evaluation of Patented Technologies 	41 47
	 I. Financial Support for the Commercialization of Patented Technology 1. Funding for the Financial Support Program 2. Strengthened Operation of the Committee on the Commercialization of Patented Technologies 	52 52 55
	III. Support for the Distribution and Sale of Patented Products1. Promotion of Patented Products of Superior Quality2. Publicizing Superior Patented Products Through the Mass Media	59 59 63

Foreword

Korean Approach to Invention Promotion

In today's knowledge-based society, state-of-the-art knowledge and technology have become the major determinants of national wealth and competitiveness.

Accordingly, through its dynamic invention promotion policies, the Korean Intellectual Property Office (KIPO) has been developing an environment that fosters the creation of knowledge and facilitates the commercialization of intellectual property.



To stimulate knowledge creation, KIPO cultivates prospective young inventors, supports the inventive activities of women, conducts the IPR Acquisition Campaign for SMEs, and builds cooperative ties among academia, industry and research institutes.

As a catalyst of IPR commercialization, KIPO gives financial support and vigorously promotes the use of patented technologies; it also helps to distribute and market patented products.

KIPO will continue to emphasize invention promotion policies that arouse public interest in invention, innovation and intellectual property. Furthermore, it will continue laying the foundation for the commercialization of developed technologies that would otherwise remain dormant.

I hope this report, which is published under a 2001 agreement between KIPO and the World Intellectual Property Organization (WIPO), will give WIPO members a better understanding of our invention promotion policies.

Dong-Man HA Commissioner Korean Intellectual Property Office

Ax Dongman

Chapter 1

Recent Trends in the Intellectual Property Field

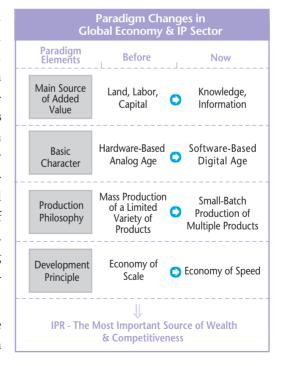
I. Changes in the Intellectual Property Field and Domestic Policies on Invention

1. Changes in Intellectual Property Administration

In contrast to the twentieth century, which was driven mainly by capital investment and industrialization, the twenty-first century can be characterized best as a knowledge and information era in which creative knowledge and information constitute competitiveness. Since the traditional requisites

of production such as land, labor and capital have reached their limits in creating added value, creative knowledge and information have become a major source of competitiveness. Accordingly, society is being transformed into a knowledge-based economy where knowledge and information are replacing labor and capital as the main source of added value. In other words, "the hardware-based analog age" is giving way to "the software-based digital age."

Thanks to the Internet, the world is being unified through



a single network that is removing temporal and spatial barriers. Consequently, "small-batch production of multiple products based on the economy of speed" is replacing "mass production of a limited variety of products based on the economy of scale."

In such an environment, intellectual property rights (IPRs) have become the most important source of wealth and competitiveness. IPRs specify the content and protect the creation of state-of-the-art technology, along with high-end knowledge and information. As a result, technology has become extremely competitive and international applications are increasing.

With the rapid increase of applications in new industries such as the Internet and biotechnology, the scope and subject matter of IPRs have widened. Furthermore, with greater awareness of the importance of protecting IPRs, IPR conflicts are increasing among states, enterprises and individuals. Consequently, IPR protection has became a critical issue around the world.

To protect IPRs, an integrated IPR system is being promoted and accelerated due to the globalization of world economies. At the same time, the number of patent and trademark applications made though patent cooperation treaties and the Madrid System is increasing significantly as more countries join these systems. With all these developments, the globalization of IPRs is expected to accelerate.

2. Developments in Policies for Promoting Domestic Inventions

In the twenty-first century, the key to becoming a competitive country equipped with knowledge and information is to broaden and strengthen the IP infrastructure. Such an infrastructure stimulates the creation of IP and efficiently and effectively recognizes and protects IPRs. Accordingly, the Korean Intellectual Property Office (KIPO) has taken bold initiatives, including expanding opportunities for middle school students. KIPO promotes invention education for elementary, middle and high school students, who will be valuable assets in the nation's scientific and industrial sectors. By promoting the introduction of invention classes and invention clubs in schools, KIPO encourages students who have potential as inventors.

In addition, KIPO encourages small and medium sized enterprises (SMEs) to acquire patents and other IPRs. Compared to conglomerates, SMEs are disadvantaged in terms of human resources, capital, technology and marketing. Since IPRs give them exclusive rights to their original technical developments, SMEs need IPRs as core business assets to survive the cut-throat competition in the current wave of globalization.

Because more women participate in social activities today, KIPO recognizes the need to use the resource of female inventors to a greater extent. Consequently, to promote the activities of female inventors, it has implemented a comprehensive support plan. Ultimately, the competitiveness of women will be promoted and gender equality will be achieved.

Excellent technologies and creative knowledge are useless unless their rights are protected and efforts are made to promote their use. Accordingly, KIPO has established a patented technology market to provide financial aid to those trying to set up businesses based on patented technologies, and to promote the distribution of superior patented inventions. What is particularly notable is that KIPO's market for patented technologies is run on the Internet. The Internet Patent-Mart (IP-Mart) was designed for several reasons: to prevent unfortunate situations where new technologies become obsolete simply because they are not used; to promote the use of new technologies in businesses through the transfer of knowledge; to help build an infrastructure that enables knowledge to be easily transferred to those who need it; to enable new technologies to be evaluated; and to make necessary information available. These initiatives are aimed at empowering SMEs to strengthen their technical competitiveness.

Chapter 2

Building a Conducive Environment for Creating Intellectual Property

- I. Cultivating Creative Young Inventors
- **II**. IPR Acquisition Campaign for SMEs
- **III.** Strengthened Support for Women's Invention Activities
- W. Invention Promotion Infrastructure

I . Cultivating Creative Young Inventors

1. Invention Clubs

A. Background

In accordance with Article 7 of the Invention Promotion Act, invention clubs were introduced as regional centers for inventive and creative activities. Established under the education offices of cities. counties and districts, the clubs provide students and the general public with opportunities to turn their ideas into inventions. In addition to the presence of full-time teachers, the clubs are equipped with a variety of tools, machines and materials. At the workshops, which serve as a center stage for school invention classes, invention classes are also run for mothers to increase their awareness of the importance of invention. Furthermore, the clubs initiate various programs to promote understanding of the need for their existence and to encourage invention education among teachers-not only among those responsible for invention classes but among all teachers.

2. Promotion of Invention Classes

3. Events for Promoting Student Invention Activities

4. Promotion of Invention Education among Various

Organizations

B. Establishment and Operation of Invention Clubs

A school that wants to introduce an invention club must submit a request through a city or provincial education office to KIPO's Invention Club Establishment Review Committee. The committee then evaluates the school's qualifications with respect to the selection criteria before deciding on the request. As part of the evaluation, the committee reviews the commitment of the school principal and the invention teacher towards the club; it reviews the portion of the budget that the school can put aside for the club, as well as the club's access to transportation and the school's facilities for setting up the club. The committee also investigates whether it is possible to change the approved use of the facilities to accommodate the establishment of the club.

To be selected for an invention club, a school must first get a recommendation from the city or provincial education office, which normally recommends twice as many schools as required. Then the city or provincial education office and the school submit an application and operation plan to the Korea School Invention Association. Once the submitted documents are reviewed, and an on-site review is completed, KIPO's review committee evaluates each school's qualifications to determine those approved to start an invention club.

An invention club provides three different courses: an elementary course (short-term), an intermediate course (mid-term) and an advanced course (long-term). Irrespective of a student's age or school year, all club members must take the courses sequentially. The curriculum for the courses is shown in Table 1.

Table 1. Curriculum of Invention Club Courses

Course	Curriculum
Elementary Course (1 to 7 days)	 ▶ To teach the basics of invention and promote interest in invention - Interesting invention stories, inventions and patents, understanding invention techniques, etc.
Intermediate Course (7 days to 6 months)	▶ To develop ideas and turn them into inventions- Brainstorming, application of basic invention techniques, etc.
Advanced Course (More than 6 months)	➤ To invent and improve creative minds - Create inventions through practice, creativity development program, use of patent information and application of IPRs, etc.

Teaching and study material created by invention clubs is available for other invention clubs. The material includes the following: *Invention Genius*, published by the Korea School Invention Association; *Invention Education*, published by KIPO in 2001 as a teaching and study resource for teachers; and *Invention Life*, published at the end of 2002 as study material for teachers and students. Rather than depend on the abundance of teaching and study material for students, invention clubs focus on courses in which students turn their ideas into reality through invention activities.

C. Plans and Prospects for the Future

KIPO plans to expand the invention infrastructure to the regional level by establishing at least one invention club at each of the 180 regional education offices by 2006.

KIPO will continue to make the clubs more effective by implementing measures to improve their operation. The measures include:

Publishing and distributing guidelines for running invention clubs

Strengthening cooperation between academia and the business world Publishing invention training material on the Internet Holding workshops for teachers who are responsible for operating invention clubs

In particular, in 2003 KIPO began to prepare for the establishment of an education center, tentatively named the Intellectual Property Education Center. The center will train employees and trainees from the following organizations: IP administrative institutions such as KIPO and the Patent Court; invention-related education facilities, namely the National Science Museum and EXPO Science Park; and the International Intellectual Property Training Institute (IIPTI), which is located at the Daedeok Research Complex. The Daedeok Research Complex houses many state-of-the-art research institutes. By taking full advantage of nearby research facilities and institutes, the center is expected to provide invention training courses to meet the needs of various industries, while providing students

and trainees with more opportunities to acquire skills through active and practical participation in research.

2. Promotion of Invention Classes

A. Background

KIPO expects invention classes to provide students with opportunities to create inventions. Accordingly, since the late 1980s, it has recommended that 10,500 elementary, middle and high schools introduce invention classes. By the end of 2002, the number of schools running invention classes stood at 6,945. Invention classes are run in the form of special activities, discretionary activities and after-class activities. A wide range of activities is available, including performing practical skills for making inventions and creations, and visiting various sites where inventions are created.

B. Support for Invention Classes

To stimulate invention classes in schools, KIPO has undertaken a variety of initiatives such as the Korea Student Invention Exhibition, training programs and publications. It trains invention teachers at the IIPTI and gives teachers who have an excellent record in running invention classes the chance to be trained overseas. Furthermore, it publishes and distributes a variety of teaching and study material such as Comics: Invention and Patent Stories, Invention and Patents and Invention Notes.

C. Measures for Stimulating Invention Classes

Currently, 6,945 out of 10,500 schools run invention classes. Every year KIPO subsidizes schools acknowledged for their superior record in running these classes. It also supports regional institutions set up and run by invention teachers. About 30 regional institutions for invention teachers now exist, including the Invention Education Research Institute. The major activities of these institutions include sharing invention education material and information, running education programs and holding regional invention events.

D. Plans and Prospects for the Future

KIPO will continue to introduce more invention classes to achieve its ultimate goal of having an invention class in every school. It will ensure that students of invention classes are educated in a more systematic way by increasing the funding for invention classes and increasing the number of schools that benefit from the fund. By hosting or sponsoring a variety of student invention competitions and exhibitions, it will also give students more opportunities to join invention activities.

In 2002, KIPO initiated support for university invention groups to ensure that students who had benefited from invention education at elementary school, middle school and high school could continue their involvement in invention education at the tertiary level. Accordingly, in December 2002, the National Association of College Invention Groups was formed and the first Invention Competition for National Invention Groups was held. KIPO also conducts free IPR courses for college students three times a year.



3. Events for Promoting Student Invention Activities

A. Korea Student Invention Exhibition

The Korea Student Invention Exhibition aims to identify and encourage students who have potential to become a major force in developing a highly advanced industrial society. It helps students to cultivate creative ideas and to make invention part of their lives while still young.

A total of 4,270 inventions were exhibited at the 15th Korea Student Invention Exhibition, which was held from March 5 to April 4, 2002. About four hundred of these inventions were exhibited to the general public at the COEX Center from July 12 to 17, 2002.

Items created or invented by students from elementary school, middle school, high school or university may be exhibited in the competition, irrespective of whether the inventions have been patented or whether patent applications have been filed. For every invention submitted, a documentary review and prior art search are conducted to determine if similar inventions have already been registered. The invention is then previewed before KIPO officially examines the invention.

Prizes are awarded to individuals and groups. Prize-winning inventions are displayed for the general public at major local exhibitions, the winners are invited to invention camps, their teachers are given an opportunity to participate in overseas training sessions, and middle school prize-winners can be admitted to college without an entrance examination.

Highlights of Student Invention Promotion Events

Event	Host	Privileges for Prize Winners
Korea Student Invention Exhibition	KIPO	 Admission to college without entrance examination Participation in overseas training sessions (for teachers)
National Teachers Invention Research Competition	Korea School Invention Association	- Extra points on teaching performance evaluation
National Students Creativity Olympiad	KIPO Samsung Electronics	- Chance to participate in selection process of USA competition Destination ImagiNation (DINI)

In 2002, inventions that received the Prime Minister's prize or awards higher than encouragement prizes had the chance to be presented at exhibitions in cities such as Pohang and Junjoo in August and September 2002. Students honored with acknowledgements higher than encouragement prizes, along with their teachers, were invited to a three-day invention camp in August 2002.

B. National Teachers Invention Research Competition

Since 1996 the Korea School Invention Association, an organization approved by KIPO, has been hosting the annual National Teachers Invention Research Competition. The competition promotes invention education in schools by heightening the commitment of teachers to research the educational aspects of invention.

For this competition, teachers are invited to submit theses on invention education. In accordance with the Regulations on the Promotion of Government Employees in the Education Sector, prize-winning teachers gain extra points for teaching performance on promotion evaluations. For a gold prize, they get one extra point; for a silver prize, they get 0.75; and for a bronze prize, 0.5.

Teachers submitted 78 theses to the competition in 2001 and 95 theses in 2002. The theses go through three stages of evaluation and review: in May they are subject to the Research Plan Review; in October, the Thesis Review and Evaluation; and in November, the Thesis Presentation Review. The prize-winning theses are published and distributed. In 2003, teachers presented 86 theses, which are now being reviewed.

C. National Students Creativity Olympiad

The National Students Creativity Olympiad resulted from the integration of three invention-related competitions: the National Students Invention Competition, a practical competition hosted by KIPO; the National Students Brain Olympics, hosted by the Korea School Invention Association; and the Samsung Creativity Olympiad, hosted by Samsung Electronics. Cosponsored by KIPO and Samsung Electronics, the first National Students Creativity Olympiad was held at the Suwon Campus of Sungkyunkwan University from January 29 to 31, 2002. The second competition was held

for two days starting on January 10, 2003.

The nationwide competition attracts 1,500 students, or 200 teams, from elementary, middle and high school invention clubs. Teams and individual competitors must pass a preliminary evaluation before advancing to the final competition. Teams that win the gold prize have a chance to participate in the selection process of the annual USA competition Destination ImagiNation (DINI), and the cost of participating in DINI is partially covered.



What is notable with the National Students Creativity Olympiad is the way it evaluates the imagination and creativity of students. The competition requires five to seven students to form a team. All teams are given two challenges: the long-term challenge is assigned before the competition starts and the on-site challenge is assigned on the day of competition. Overcoming the challenges requires participants to resort to their comprehensive creative abilities in a wide range of areas including science, mathematics, music, art and engi-

neering. The creativity and imagination applied to the challenges are evaluated throughout the competition. As with DINI, the National Students Creativity Olympiad is an arena where imagination and creativity are measured in a comprehensive manner.

D. National Student Competition for Paintings and Drawings on Invention

The National Student Competition for Paintings and Drawings on Invention has been held since 1996 to encourage students to cultivate their imagination, creativity and ability to express ideas.

About six thousand children participate in the preliminary round, which is conducted at the city and provincial level in May and July. The six hundred or so contestants who pass the first round compete in the final round in August. The painting competition is only open to children from elementary school, whereas the drawing competition, in which students design

imaginary characters, is open to children from elementary and middle school.

In the future, the entire competition is expected to be open to middle school students, with greater emphasis being placed on designing characters that symbolize invention.

4. Promotion of Invention Education Among Various Organizations

A. Preferential University Admission Program

A program to grant university admission to students who excel in invention activities was introduced in 1997. Successful middle school students were granted this privilege for the first time in 1998. When selecting students under this program, universities apply their own criteria. While some universities select students through examinations that test abilities in science and invention, most universities choose students who have received awards in major invention competitions or exhibitions, such as the Korea Students Invention Exhibition, or they choose students who have acquired patents or utility models.

KIPO plans to strengthen its relations with colleges and universities to ensure the program takes root and that more institutions introduce the program. At the same time, universities are expected to expand the program to secure superior resources for the twenty-first century.

B. Lecture Circuit for Promoting Student Invention Activities

In cooperation with IIPTI, KIPO has been delivering lectures nationwide to encourage the invention activities of students, including activities that can be performed through school invention classes.

In 1998, 39 schools and organizations availed themselves of the lecture circuit, while in 1999 there were 82. However, because of KIPO's program for training prospective young inventors, the number of requests for lectures has grown significantly, reaching 534 in 2000 and 419 in 2001. The increased demand prompted KIPO to deliver the lectures in conjunction with IIPTI.

II. IPR Acquisition Campaign for SMEs

1. Background

Numbering 2,876 in 2001, SMEs account for 99.8 percent of companies in Korea, and they employ 9.97 million workers, which is 85.6 percent of corporate employees. Accordingly, they are a major economic force and an important source of employment for the nation's economy. However, compared to domestic conglomerates and foreign companies in industrialized countries, SMEs are still weak, especially in terms of structural elements such as human resources, funding and marketing. SMEs have only 60 to 70 percent of the technical competitiveness of conglomerates and only 40 to 50 percent of the technical competitiveness of foreign companies in advanced countries.

SMEs are the backbone of the nation's economy
but they face many disadvantages. Against this
backdrop, KIPO has been conducting its IPR Acquisition
Campaign for SMEs since September 1999. The campaign encourages SMEs
to invent new technologies and to use them as core business assets. It helps
SMEs survive unlimited competition from around the world by encouraging them to secure rights for their inventions and by helping them to use
their inventions in their businesses.

2. Measures for Promoting IPR Acquisition for SMEs

A. IPR Seminars

KIPO has conducted seminars throughout the nation to promote IPR acquisition among SMEs. Even KIPO's commissioner has delivered lectures to heighten interest in IPRs among the CEOs of SMEs. In addition, IPR seminars for women who run SMEs have increased the awareness of women on the importance of IPRs.



KIPO's IPR seminars, which are cohosted by IIPTI, local chambers of commerce, municipal governments and the Korea Industrial Complex Corporation, are aimed at providing SMEs with basic knowledge on such topics as the significance of IPRs and the government policies that promote IPR acquisition. The seminars also teach participants how to fill in an application form and to understand how evaluation criteria for applications differ in certain areas.

An IPR Help Desk for SMEs has also been set up. Comprising patent lawyers and experts from the Korea Invention Promotion Association, the help Pro bono consultations on patent-related issues

Communicate the government's policies

Identify bottlenecks facing SMEs

Survey current status of IPR acquisition among SMEs

desk provides pro bono consultations on patent-related issues, and it communicates the government's policies on promoting IPR acquisition, such as the Program for the Commercialization of Patented Technologies. It also researches the challenges that SMEs face while pursuing IPRs, and surveys the current status of IPR acquisition among SMEs. The government takes this research into account when setting the policy direction for encouraging IPR acquisition among SMEs.

B. IPR Courses for SMEs

A training course on IPRs has been incorporated into existing corporate education and training sessions for SMEs. The IPR course covers the importance of IPRs, the application procedure and government policies on commercialization of patented technologies. The course is aimed at improving awareness of IPRs among SME employees and executives to encourage them to use IPRs as a core business asset.

The course targets SME CEOs and employees responsible for technology development and IPRs. It provides information on using and maintaining the IPRs needed for daily business operation. The information is mainly concerned with government policies on the IPR system, domestic and international IPR application procedures, and case studies on IPR legal conflicts.

C. IPR Education through Related Organizations and Universities

In addition to its seminars, KIPO has been strengthening IPR education by building educational channels at relevant organizations and universities. Specifically, in conjunction with organizations such as the Korea Chamber of Commerce & Industry, it offers introductory courses on IPRs to help SMEs understand the importance of IPRs, as well as IPR application procedures and government policies on the commercialization of patented technologies. Examples of these introductory courses include a special session on IPRs at the SME Executive Training Course run by the Korea Chamber of Commerce & Industry and an introductory IPR session for training courses at eight training centers. IPR classes have also been incorporated into the Venture Entrepreneur Course run by the SME Association Training Center, which belongs to the Central Committee of the Association of SME Cooperatives, as well as the training courses run by the SME Development Center under the aegis of the SME Promotion Corporation.

IPR Classes

Economic Gorganizations

Korea Chamber of Commerce & Industry SME Promotion Corporation

Hannam, Baeje, Choongnam, Hanyang, Mokwon, Korea Polytechnic, Keonyang

Since 1999, KIPO has been introducing IPR classes as part of the university curriculum to help build a human resource infrastructure for IPRs. In particular, KIPO provides universities that run IPR classes

with experts to teach courses on such topics as IP application procedures, IPR management strategy and the use of information on patented technologies. Furthermore, KIPO has signed business cooperation agreements regarding the introduction of IPR departments or courses with the following universities: Hannam University, which introduced an undergraduate IPR department; the Baeje, Choongnam, Hanyang and Mokwon universities, which initiated 30-month graduate school courses on IPRs; and the Korea Polytechnic University and Keonyang University, which began introductory courses on IPRs.

3. Support for the Promotion of Technology Development

To improve the capability of SMEs in generating IPRs, KIPO is helping SMEs to identify and resolve their IPR challenges and to heighten their awareness of IPRs. Accordingly, KIPO has formed numerous SME Conference Groups comprising experts from academia, the business sector, research institutes, IPR organizations and KIPO examiners. Twenty-four of these groups currently exist. They held 54 rounds of forums and discussions in 2000, 96 in 2001, and 63 in 2002, attracting 668 participants from SMEs. By discussing effective ways to promote joint IPR projects and KIPO's major IPR policies, the groups foster a conducive environment for generating IPRs. They try to identify and resolve a variety of IPR-related difficulties that SMEs face in their daily business operations.

4. Support System for IPR Acquisition

A. Financial Support for Overseas IP Applications of SMEs

Recognizing the pressing need of Koreans to acquire IPRs for their superior inventions and wishing to help them secure their rights to such inventions overseas, KIPO has been providing financial support since 1982 to those who file patent or utility model applications in other countries.

Individuals or companies in Korea that seek patent applications or utility model applications overseas are eligible for financial support. For inventions proven to have superior quality, KIPO subsidizes the application costs incurred during the two-year period preceding the day on which applicants request financial support. For PCT international applications, only applications that have entered the national phase are eligible for financial support; in this case, the application costs for the national phase and the international phase are covered.

Up to two million won is provided in financial support for each application. An applicant can apply for three subsidies per year. If an applicant files an application for an invention in several countries, the application filed in the country designated by the applicant is considered one request for support in terms of the subsidy limitation. For the same invention, financial support is provided for applications submitted in each country where the applicant files an IP application for the invention.

B. Reduction of Fees

1) Expanded Fee Exemptions for Small Companies

KIPO has updated the laws on patents, utility models, industrial designs and trademarks in line with international standards. In particular, it repealed the law that mandates persons who reside overseas to appoint and register an agent to manage their patents, and introduced a regulation allowing changes to the predefined product category. It also revised other regulations regarding fees. Revision of the Rules and Regulations on the Collection of Patent Fees, Registration Fees and Fees Regarding the Patent Act, Utility Model Act, Industrial Design Act and Trademark Act, known as the Fee Collection Rules, was announced and went into effect on August 6, 2001.

The latest revision has widened the scope of fee exemptions for small companies. Formerly limited to small companies in the manufacturing and manufacturing service sectors, fee exemptions may now be granted to all small companies in all industrial and business sectors, including the mining, manufacturing, construction and transportation sectors.

2) Dramatic Reduction in Fees for Transferring Ownership of IPRs

On January 22, 2002, KIPO significantly reduced the fees for transferring ownership of IPRs and for changing applicants. In this way, it supports ongoing corporate restructuring, which is a pressing challenge for the nation's economy, and encourages the transfer of patented technologies following corporate splits or mergers. In addition, KIPO has reduced the amendment fee (or digitalization cost) for filing paper-based applications for patents or industrial designs.

Furthermore, the fees for filing paper-based applications have been reduced from 8,000 won to 5,000 won for each patent application and from 4,000 won to 3,000 won for each industrial design application. As these fees are now at the same level as those for utility model and trademark

applications, individuals who submit several applications are expected to benefit considerably from the fee reduction.

C. Financial Support for IPR Assessment Among SMEs

1) Objective

The objective of the financial support program for IPR assessment among SMEs is to build a system that protects the technical developments of SMEs. The program assesses whether certain technologies being developed by domestic companies conflict with patents approved in other countries, thereby presenting SMEs with appropriate ways to develop their technologies. It also aims to improve awareness of the importance of using information on patented technologies.

2) Overview

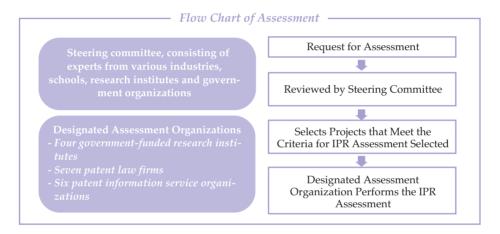
The program encourages SMEs to comprehensively assess existing technologies in relation to the technologies they plan to develop, before initiating R&D or introducing technologies needed for the development. Under this program, 75 percent of the IPR assessment costs are defrayed by the government, while the remainder are covered by the company that requests the assessment. Once the assessment is initiated, researchers check if relevant prior art already exists at home or abroad, and they collect original versions of technical information. By analyzing the technical information, the researchers create a patent map, which can be used as technical information, managerial information and invention-related information. They also analyze the status of core technologies, market situations, technical trends and the status of national and international competitors. By pooling data from their research and analysis, the researchers present the overall direction of developments, while formulating possible strategies to avoid patent conflicts.

Although the Korea Invention Promotion Association is responsible for the program, it seeks assistance in IPR assessment from organizations such as universities, research institutes and patent law firms with assessment expertise.

SMEs seeking IPR assessment for their completed or ongoing development projects must first request an assessment. The requests are then reviewed by a steering committee that consists of experts from various industries, schools, research institutes and government organizations.

Based upon the review results, the committee selects projects that meet the criteria for IPR assessment. Finally, a designated assessment organization performs the IPR assessment; it presents a proper development direction and checks whether projects impinge on existing rights.

Seventeen organizations have been designated as assessment organizations. In accordance with the Invention Promotion Act, the organizations were designated with the approval of the KIPO commissioner after the steering committee reviewed their qualifications. The organizations comprise four government-funded research institutes, seven patent law firms and six patent information service organizations.



D. Establishment of Pro Bono Patent Consultation Offices

In cooperation with the Korea Patent Lawyers Association, KIPO has been designating patent law firms in major cities as pro bono patent consultation offices. Free one-on-one consultations between patent lawyers and SMEs have also been available since March 2003.

	the pro			

Year	1998	1999	2000	2001	2002
Recipients of livelihood protection benefits	12	11	9	13	14
Students	163	123	217	148	144
SMEs	-		3	3	3
Total	175	134	229	164	161

Strengthened Support for Women's Invention Activities

Despite the international trend of women taking a greater role in economic activities, the economic and invention activities of Korean women are still negligible. This fact is highlighted by the number of IPR applications filed by Korean women. By December 2002, women had filed 12,452 applications, accounting for only 4 percent of the total 287,104 applications.

Recognizing that female resources are important for national competitiveness in today's knowledge-based society, KIPO has formulated comprehensive measures to promote the invention activities of women. These measures are aimed at building women into a major force for creating and uti-

1. Programs for Promoting Women's Inventions

2. Promotional Activities for the

2. Promotional Activities for the Businesses of Women Inventors

3. Infrastructure for Promoting Women's Invention Activities

lizing IPRs by focusing on the development of the female labor force.

1. Programs for Promoting Women's Inventions

A. Raising Public Awareness and Interest in Women's Invention Activities

To improve public awareness on the involvement of women in inventions and IPRs, and to encourage women to be more familiar with inventions in their daily lives, KIPO has been holding seminars on women's IPR acquisitions in 16 cities and provinces, including Seoul, Busan and Daegu.

With a varied agenda, the seminars mainly communicate information and



knowledge on how women can originate ideas in their daily lives, develop them into inventions and secure patent and utility model rights for their inventions.

To create an inventive environment for women, KIPO has been favoring female

inventors in a variety of invention-related events such as the Invention Day Ceremony. For example, female inventors receive awards on Invention Day and are given priority when KIPO selects a new generation of patent intellectuals. KIPO also gives extra points to female inventors in its patented technology competition.

B. Symposium on Exemplary Women's Inventions

To identify and share exemplary inventions borne of the brilliant ideas of women and to promote women's invention activities, the Korea Women Inventors Association (KWIA) holds a symposium every year. It held its seventh and eighth symposiums in 2002.

In the symposium, exemplary women inventors explain why they started their inventions, how they conducted their R&D and how they commercialized their inventions.

KIPO plans to publish the exemplary cases presented at the symposiums. It also plans to publish a book of superior inventions created by women from simple ideas originating in their daily lives. In this way, it hopes women can easily share their invention experience with others.



2. Promotional Activities for the Businesses of Women Inventors

A. Preferential Financial Support for Commercializing the Patented Technologies of Women

Women inventors often run small businesses, though some women lack the funds to start up a business. Consequently, since February 2001, KIPO has favored women in a variety of programs designed to stimulate the business activities of women inventors. For instance, Article 12(6) of the Guidelines on the Operation of the Committee on Commercialization of Patented Technology was amended to specify that 'requests for commercializing the patented technologies of women should be given top priority.'

B. Financial Support for Promoting Sales Channels for Women's Inventions

Having secured a budget of 215 million won to support women's invention activities, KIPO held the 2002 Women's Invention Exhibition at the COEX Mall from August 2 to 4, 2002. The exhibition aimed to do three things:

Motivate the invention activities of women

 Identifying and presenting inventions of superior creativity and quality from companies run by women

Help commercialize the patented technologies of women inventors



Support the business activities of women

 Helping women explore channels through which they can sell their inventions.

During the exhibition, 96 companies presented inventions in 163 booths. Attracting 35,000 visitors from home and abroad, the exhibition enabled women inventors to display and sell their inventions, while encouraging visitors to participate in invention activities.

3. Infrastructure for Promoting Women's Invention Activities

A. Independence of Private Organizations Related to Women's Inventions

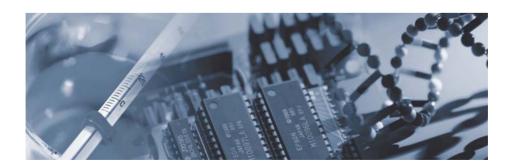
Stimulating the invention activities of women requires more than just the government's efforts. Private organizations interested in women's inventions should be formed; they should be able to stand alone financially and undertake various efforts to promote women's inventions.

The first regional office of KWIA was established in 2001, and regional offices are expected to be set up in cities and provinces. In the meantime, the association plans to diversify its membership by attracting homemakers and students in addition to women inventors.

To be a source of information for inventive women, KWIA went all-out to develop its Web site, which was completed in December 2001. KWIA also supports the participation of women inventors in international activities. For example, in 2001 it participated in international conferences and at an international invention exhibition for women to help establish the APEC Women Inventors Meeting.

B. Women's Invention Promotion

To assist women's inventions in a more systematic way, KIPO stipulated its support measures for the invention activities of women in a document called Guidelines on the Execution of Women's Invention Promotion (KIPO Official Announcement No. 2001-6). It appointed experts to be exclusively responsible for promoting the invention activities of women; furthermore, in December 2002, it established the legal basis for assisting women with



their inventions by introducing Article 6(2) of the Invention Promotion Act.

KIPO also increased the number of women on committees such as the Patented Technology Award Review Committee and the Patent Lawyer Penalty Review Committee, thereby laying the foundation upon which women's invention activities could be better supported.

C. Establishment of Close Relations with Related Organizations

With the birth of the Ministry of Gender Equality in January 2001, government ministries and agencies have been strengthening their policies to develop the capability of women in the work force. In accordance with the Act on Support for the Businesses Run by Women, for instance, the Small and Medium Business Administration has begun to support companies run by women. Following this trend, KIPO has been helping women begin or continue their businesses by establishing close ties not only with government organizations such as those that support women's businesses, but also with women's organizations such as the Korean Women Entrepreneurs Association and the Women's Organization Conference.



- ▶ KIPO (www.kipo.go.kr)
- ▶ Ministry of Gender Equality (www.moge.go.kr)
- ▶ Small and Medium Business Administration (www.smba.go.kr)
- Korean Women Entrepreneurs Association (www.womanbiz.or.kr)
- ▶ Women's Organization Conference (www.iwomen.or.kr)

IV. Invention Promotion Infrastructure

1. Expanded Cooperation on IP
Administration Among Academia, Industry
and Research Institutes

A. Overview

In today's knowledge-based society, securing technical prowess by creating IPRs has become vital for the survival and development of countries and companies. This era of technical competition drives the development of new competitive technologies. Currently, well-organized companies, research institutes and universities develop most of the core and original technologies. Consequently, KIPO has decided to build a cooperative relationship among academia, industry and research institutes. The objectives of the program are to improve the understanding of corporate employees, researchers and professors on the importance of IP, and to strengthen commitment to inventions. Furthermore, the pro-

1. Expanded
Cooperation on IP
Administration among
Academia, Industry
and Research
Institutes

2. Promotion of
Employee Inventions

3. Improved Patent
Information
Delivery Systems

4. Development
and Publication of
Patent Maps

gram aims to stimulate the generation of IPRs by enabling KIPO, companies, research institutes and universities to share IP information with one another, to resolve IPR-related challenges together, and to provide IPR training.

B. Cooperation with Universities and Research Institutes on IPRs

To heighten the interest of universities and research institutes in IPRs and IPR applications, KIPO has established a system of cooperation. On December 12, 2001, it signed agreements for Cooperation on IPR Administration with 20 institutes, including Hanbat University, Daedeok University, the Korea Institute of Energy Research and the Korea Institute of Machinery and Materials. These agreements have enabled KIPO to cooperate with relevant organizations in a more systematic and strategic manner. By heeding suggestions for IP administration, the representatives of KIPO

and its partners facilitate research activities and help to secure rights to technologies developed as a result of research.

Under these agreements, the parties agreed to undertake specific actions such as sharing IP information, monitoring and resolving IP issues and complaints, and conducting training courses and seminars to promote IP interest and awareness. Thus, the foundation has been laid for universities and research institutes to generate and use IPRs.

C. Improved IPR Training for Technology and Engineering Departments

Since industrial competitiveness today depends on creative knowledge and technology, technical competitiveness is maintained by stimulating research and development at universities and institutes of technology. Developing an advanced level of technology requires large research facilities, experts and a significant research budget. Although Korean universities may have experts and large research facilities, their understanding of IPRs is often inadequate and they consequently have a low number of IPR applications and registrations. To resolve this problem, the IIPTI has been

encouraging professors not only to conduct research but also to register their IPRs. Twice a year, the IIPTI offers a training course for professors from technology and engineering departments. The course covers the IPR system, the employee invention system, guidelines on patent and utility model

International Intellectual Property Training Institute (www.nipa.go.kr)



specifications, and the IP application procedure. Eighty professors have taken the course so far.

2. Promotion of Employee Inventions

A. Importance of Employee Inventions

In this era of fierce technical competition, not only for countries but also for companies, the ability to secure strong technical prowess has become an important requirement for survival and development. Since technical competitiveness depends on the development of high standards of new technology, most technologies are created by companies and research groups that have a well-organized research base.

Developing new technology that outshines existing technology is virtually impossible without large-scale research logistics, facilities, personnel and funds. Industries are becoming highly sophisticated, and supporting technologies becoming significantly more complicated and diversified. This trend explains why most inventions today are created on-the-job by employees of companies and research institutes, whereas the works of out-

standing individual inventors such as Edison are rare. As technologies develop, the trend is even more apparent.

Employee inventions also prevail in Korea's invention community. Table 14 shows that employee inventions, which accounted for only 66.5 percent of all inventions in 1993, reached 81 percent in

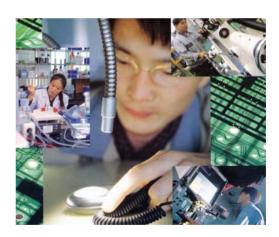


Table 3. Current status of employee inventions

(Unit: Number of cases, %)

Year		1998			2001	2002
Individuals' Inventions (A)	7,231	9,121	13,959	23,883	21,083	19,711
Employee Inventions (B)	85,50	66,067	66,683	78,127	81,928	84,280
Total (C)	92,734	75,188	80,642	102,010	103,011	103,991
Percentage of Employee Inventions (B/C)	92.2	87.9	82.6	76.6	79.5	81

 $Note: The \ statistics \ show \ the \ annual \ percentage \ of \ inventions \ from \ employees \ and \ individuals.$

2002. This phenomenon has prompted the government to launch the Employee Invention Promotion Program, in accordance with Article 8 of the Invention Promotion Act and Article 40 of the Patent Act. The program aims to encourage corporate employees, researchers and government employees to create more inventions.

B. Rewards for Employee Inventions

Two challenges should be addressed to encourage and promote employee inventions. First, how to motivate employees to commit themselves to inventions and how to encourage their employers to proactively invest in technical developments. Second, how employees and employers can share the profits generated from employee inventions in a fair and reasonable way. To ensure that employees are rewarded appropriately for their inventions, KIPO introduced regulations on rewards for employee inventions.

Article 40 of the Patent Act states that if the inventions of corporate employees or government employees meet the three requirements defined in Article 39 of the same Act, the inventors should be rewarded for their inventions. The requirements are as follows: first, the inventions should be

the work of the employee; second, the invention of the employee should fall within the scope of the employer's business; and third, the invention should pertain to the job for which the employee is or was responsible. Eligible employees may receive an application reward, registration reward, execution reward and disposal reward. Article 40 serves as a legal framework to ensure that employees are fairly rewarded for their employee inventions.



C. Employee Invention Competition

To promote the R&D of companies, universities and research institutes and to encourage employee inventions, awareness of employee inventions should be improved, motivation should be strengthened with incentives, and the role of employees in creating inventions should be acknowledged. Accordingly, KIPO has been hosting an annual employee invention competition since 1994 and so far 84 companies and organizations have been awarded the President's Prize and the Prime Minister's Prize.

The 2002 Employee Invention Competition was held at the COEX Conference Center on May 14. It attracted 19 teams from various companies and organizations.

During the most recent competition, seven employee inventors who passed the qualifying round presented a detailed explanation of the entire process of creating their invention. They covered issues such as motivation, R&D and production, and they discussed making the competition a venue where conglomerates, SMEs and research institutes could share knowledge and information on R&D processes, recent developments and commercialization of invented technologies.

D. Plans for the Future

KIPO plans to fine-tune the laws and regulations of the Patent Act to stimulate the employee inventions of companies, research institutes and universities. In particular, the laws and regulations concerning the reward system for corporate employee inventions will be amended in consideration of opinions from the government ministries and offices concerned. KIPO also plans to revise its laws so that government-funded universities can control the patent rights of employee inventions through the relevant university body for knowledge transfer. In the meantime, KIPO will visit companies, research institutes and universities to proactively promote employee invention systems, while motivating employee inventors through invention competitions.

3. Improved Patent Information Delivery Systems

A. Presentation of Information on Patented Technologies via the Internet

The ultimate goal of the patent system is to contribute to industrial development by bolstering the development of technology. The patent system

discloses the specifications of an invented technology to the general public in return for granting an exclusive right to the inventor for a certain period. Information on patented technologies is crucial not only for the activities of KIPO's examiners but also for the R&D activities of research institutes and companies. Patent information can also help inventors avoid redundant R&D and identify niche technologies.

In most industrialized countries, an increasing amount of patent information is provided free via the Internet with a view to protecting and promoting the development of industrial technology. Responding to this global trend, KIPO has provided a free information service on domestic patents via the Korea Industrial Property Rights Information Service (KIPRIS: www.kipris.or.kr) since January 1, 2000.

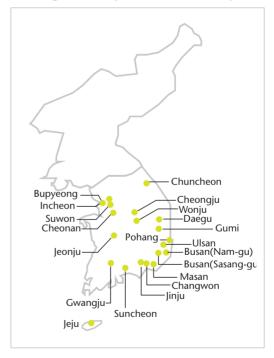
KIPO has subsequently continued to upgrade the scope and use of KIPRIS. In 2001, it incorporated the examiners' search system; in 2002, it incorporated the examiners' trademark and design search system to enable public access in 2003. These upgrades have not only made it easier for peo-

ple to inquire about existing technologies but also have been instrumental in promoting IPR applications in new areas. Moreover, the system encourages the activities of venture companies in knowledge-intensive and technology-intensive business sectors, while preventing redundant R&D and facilitating the development of new technologies.

B. Improved Delivery of Regional IP Information

To build a national IP information service and to establish a knowledge-based

Regional IP Information Center Map



society, KIPO has established 15 IP information service centers nationwide, and rolled out three additional service centers in Changwon, Wonjoo and Jinjoo in 2001. By March 2003, 21 regional centers were operational, providing greater access to IP information around the country.

KIPO has been providing IP information centers with the facilities and equipment needed for an information search service, with the human resources for IPR consultations, and with

Examination Search
Publication
Registration
Trial

funding for logistics and labor costs.

In addition to providing IP information, the service centers perform public relations activities with respect to IPRs and provide consultations and instructions. They also conduct a variety of activities to encourage the inventions of individuals and companies, and they address questions that have arisen in the pursuit of designs. Specifically, the centers conduct explanatory sessions to improve understanding and awareness on the importance of IPRs. In 2002, the centers provided IP information in 90,270 cases and they conducted 58,448 IPR consultations. They received 20,916 calls and delivered 101 rounds of explanatory sessions and seminars on IPRs and business method patents; they also provided free training regarding online applications. By the end of 2002, the number of people who had enjoyed these services stood at 8,900.

In 2003, KIPO plans to determine the level of support for IP information service centers based on an evaluation of their performance in 2002. It also plans to provide information analysis and consulting services to SMEs in the region. Furthermore, it has established these centers in seven

universities that have successfully run KIPO's online administration system, called KIPOnet, on a pilot basis.

C. Strengthened IP Information Delivery Capability at Universities

KIPO has designated 52 universities to run KIPOnet on a trial basis. They were selected from among universities that met the requirements of having computer training facilities, designated professors responsible for KIPOnet, and IPR courses in the curriculum. KIPO has provided these universities with various kinds of support because they are building the infrastructure for disseminating IP information. The goal of the program is to improve awareness of IPRs at university and to increase the use of online IPR applications. Specifically, KIPO develops and distributes textbooks; it supports seminars, special lectures and invention promotion competitions; and it provides lecturers to teach courses on IPRs. It also provides free IPR training to the professors who operate KIPOnet.

In April 2001, the IPR textbooks were published and 250 copies were distributed to major universities nationwide. On seven occasions, the IPR beginner's course was taught to professors in charge of KIPOnet. Overall, 120 professors have participated, including those trained on advanced topics such as Internet patents.

KIPO provides resources for basic IPR courses at Kimcheon and Daedeok universities and helps judge their invention promotion competitions. Conferences on the future of KIPOnet have also been held for KIPO and these universities. Furthermore, the third annual KIPOnet conference was held at Kimcheon University in December 2002. During the conference, the universities presented and discussed their experience with KIPOnet; they were briefed on KIPO's selection of additional KIPOnet universities for 2004; and a number of professors were seconded to form the KIPOnet Steering Committee.

Since universities are a source of technical human development, improving awareness on the importance of IPRs at universities is crucial for bolstering the nation's industrial development and technical competitiveness. KIPO is therefore committed to developing the necessary infrastructure by supporting the IPR activities of university students.

4. Development and Publication of Patent Maps

A. Background

Patent maps (PMs) are designed to keep track of the bibliographies of patent information, to extract data or keywords, to quantitatively, qualitatively and correlatively analyze the data, and to illustrate the analyses with diagrams such as time-series graphs and distribution matrices. PMs are an effective tool for visually understanding the indistinctive status of developments in technological trends or competitive activities.

The patent information used in the development of PMs is the result of analyzing patent information from the past to the present. Since the IP offices of each country are the source of patent information, the information is available in standard media such as books, microfilm, CD-ROMs and databases.

Patent evaluations supply additional information such as the expected benefits and feasibility of patents. As a result, PMs show the developmental trends of technology and commercialization, and they enable companies to obtain information on patents, corporate management, markets and products. This information empowers companies to improve the status of their patents and to employ aggressive and effective patent strategies.

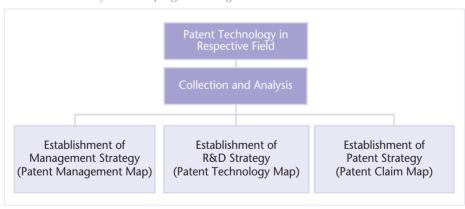


Table 4. Structure for developing and using PMs

The importance of PMs has increased with the recent emergence of IPRs as a major issue. However, PMs have not generally been adopted by domestic companies due to insufficient capital and human resources. Nonetheless, since 2000, KIPO has been running a program to disseminate information on the benefits of PMs and to encourage the introduction of PMs. Every year KIPO develops PMs on topics that government organizations, SMEs and research institutes recommend in 24 technical areas. These PMs are distributed free via the Internet http://www.patentmap.or.kr or on CD-ROM so that anyone can use them conveniently.

KIPO also transfers the knowledge it accumulates while developing PMs to SMEs and research institutes to encourage them to develop their own PMs. For the same purpose, KIPO collects and disseminates successful cases of PM development.

KIPO plans to identify additional technical topics for PMs by studying the policies and needs of technology for the entire spectrum of domestic industries. On a long-term basis, KIPO plans to develop PMs on 150 topics to build a PM system for all industries.

B. Identification of PM Topics and Selection of PM Development Institutions

1) Selection of PM Topics

Every year KIPO selects PM topics through internal and external surveys and discussions. The topics are selected from the following areas: technologies with significant growth potential, technologies used widely by SMEs and venture companies, imported technologies, and highend technologies.

Technical areas not covered include the following: technologies confined to a small number of companies, state-of-the art technologies that have had very few prior art searches, and technical areas featured in the PMs of Japanese or domestic organizations.

A selection committee comprising ten experts from industry, academia, the research community, patent lawyers and examiners reviews the topics before finalizing a list of 24 technical areas.

2) Selection of PM Development Institutions

KIPO develops plans to direct and supervise the PM program, while planning long-term development of the program. It has set up a PM Program Management Organization whose responsibilities include the following:

- Developing guidelines on program control and operation, along with detailed instructions for program management and PM developments
- Setting up and operating a map committee
- Developing and maintaining PM elements common to all technical areas such as PM development scenarios, types and examples of PMs, search formula and future updates
- Analyzing the performance of the PM program
- ▶ Distributing PMs.



Institutions that develop PMs are responsible for building the framework of technology, manipulating and defining raw data for analysis of existing technologies, analyzing technical trends, collecting technical documents, performing qualitative and quantitative analysis for each technical area, developing lists of summaries, defining technical terminology, and converting and delivering the final product in a digital format.

Chapter 3

Promotion of IP Commercialization

- I . Support for Stimulating the Trade of Patented Technologies
- T. Financial Support for the Commercialization of Patented Technology
- . Support for the Distribution and Sale of Patented Products



I . Support for Stimulating the Trade of Patented Technologies

1. Diversification of the Patented Technology Trade System

A. Overview

No matter how much is invested in developing technologies of superior quality, they are useless unless utilized by industry or traded in markets.

KIPO has initiated programs to promote the use of patented technologies. The programs include patented technology markets, financial support for commercializing patented technologies, and support for developing sales channels for patented products. To prevent patented technologies from laying dormant, KIPO has been promoting commercialization through technology transfer. KIPO also runs the IP-Mart and an off-line market for patented technologies called the Permanent Patented Technology Market; in addition, it publishes Patented Technology magazine and runs a regional IP center. In this way, KIPO is building the infrastructure for easily evaluating and transferring technologies and for disseminating a variety of technical information.

1. Diversification of the Patented Technology Trade System

0

2. Infrastructure for Objective Evaluation of Patented Technologies

	Year	Rights Maintained(A)	Rights Licensed(B)	Dormant Rights (C)	Ratio (C/A, %)
	1997	33,322	7,996	25,326	76.0
IPRs	1998	44,549	20,867	23,682	53.2
	1999	45,564	22,098	23,466	51.5
	1997	18,803	3,421	15,382	81.8
Patents	1998	15,950	5 <i>,</i> 799	10,106	63.4
and	1999	23,338	10,222	13,116	56.2
Utility Models	2001	3,032	1,131	1,901	62.7
	2002. 4	23,298	6,169	17,102	26.6

B. Improved Services of IP-Mart

IT and e-commerce, which have significantly increased productivity and provided customers with services that are more convenient and useful, are now propelling a shift to a new way of life in areas such as politics, economics, society and culture.

Using highly advanced IT, KIPO has been promoting the widespread use of patented technologies to assist in the successful commercialization of patented technologies. On April 1, 2000, it launched the IP-Mart to facilitate on-line transactions between technology consumers and providers. By the end of 2002, the IP-Mart had built a database of 50,000 items of patented technology. The database supports technology consultations and transactions between consumers and suppliers.

To encourage IP transactions, KIPO also runs a push-mail service that instantly notifies consumers when there are new registration with the market. In addition, information on technologies and on the technical difficulties that companies face in their daily operation is listed by industry and technical area for the benefit of SMEs and venture companies. The IP-Mart also supports the commercialization of patented technologies by providing information on a variety of topics such as patent law, taxation, financing, accounting and marketing; it also facilitates consultations with institutions that specialize in such matters.

Furthermore, changes to the IP application form in the 2001 revision of the Patent Act enable technologies to be automatically registered with the IP-Mart if the applicant wishes to transfer the technologies to any consumers. These changes were pursued so that high-quality patented technologies that owners wish to transfer could be readily available on the market.

IP Mart



www.patentmart.or.kr/english/

Since the function of the IP-Mart is confined to introducing the technologies it has evaluated, transactions are performed either through direct consultations between the transacting parties or through indirect channels at the Permanent Patented Technology Market.

The IP-Mart provides objective information on the success and failure of technology transfers and commercialization by evaluating technologies whose rights have been registered for more than 10 years. The IP-Mart also provides YTN News with weekly information on the technical evaluation of five superior patented technologies.

C. Establishment and Operation of the Permanent Patented Technology Market

The Permanent Patented Technology Market combines the functions of various patented technology markets; for example, it uses the IP-Mart to facilitate the transaction of technologies available at its brick-and-mortar site. Situated on the third floor of the Invention Center, Kangnam-Gu, Yeoksam-Dong, the market was opened on November 17, 2000; it has an area of 611 square meters and is equipped with display booths and an investment briefing room. From the day of its opening until December 2002, it had facilitated the transfer of 144 patented technologies through



Invention Center, Home of Permanent Patented Technology Market

ownership transfers or the granting of licensing rights. In addition, it holds conferences twice a year to find success stories on the commercialization of patented technologies; it then publishes the success stories and distributes copies to conference participants.

The Permanent Patented Technology Market also selects and exhibits technologies registered with the IP-Mart. The exhibited technologies are filmed on video or simulated for display at the IP-Mart. The IP-Mart also displays information on the technologies transferred through the off-line market and publishes the commercialization success stories.

The three expert distribution agencies provide information on market and industry trends, expected revenues, technology transfers, commercialization, and advice on follow-up management. In addition, to satisfy inventors and investors, they present standard contracts for technology trade, the granting of licensing rights, cross-licensing and so on. Since the opening of the IP-Mart in April 2000, the number of patents and utility models traded through the off-line market totals 175, including 30 in 2000, 81 in 2001 and 64 in 2002.

Table 6. Number of technologies traded at the Permanent Patented Technology Market

	Year 2000	Year 2001	Year 2002
Ownership transfers	-	16	2
Licenses	30	65	62
Total	30	81	64

D. Patented Technology Markets

Patented technology markets enable technology providers to consult with consumers and investors. The Small and Medium Business Administration, patent lawyers, venture capital investment firms and tax accountants provide pro bono consultations to SMEs on the commercialization of technologies, while the Korea Technology Credit Guarantee Fund provides consultations on payment guarantee services. Consultations on technical development and detailed information on existing technologies are given free of charge to those interested in inventions. Furthermore, patented

technologies of superior quality and creativity are captured on video or simulated for display at the IP-Mart.

E. Strengthened Cooperation with Organizations Concerned with Trading Patented Technology

To improve cooperation with other organizations concerned with trading patented technology, KIPO has come up with several initiatives. First, it supports a program that links the on-line transaction system to the off-line transaction system, both of which are operated by the Korea Invention Promotion Association. It provides financial support for the development of simulations and the production of prototypes. It also tries to prevent redundant investments in R&D by surveying the trends of new technologies, by distributing PMs and by assessing IPRs. Moreover, it presents investors with guidelines for further development.

Second, KIPO shares information on patented technologies with other relevant organizations. It has linked the patented technology transaction systems of the IP-Mart, the Permanent Patented Technology Market and the patented technology markets to the Online Korea Technology Transfer Center, Technology Information Management System and the Korea

Technology Credit Guarantee Fund; these transaction systems are also linked to the technology transfer centers of universities. To be able to share information with these organizations, the Korea Invention Promotion Association achieved recognition as a technology evaluation institu-



tion from the Korea Technology Transfer Center and signed a business cooperation agreement with the Korea Technology Credit Guarantee Fund. Accordingly, the Korea Invention Promotion Association has set up a technology information sharing system with the Korea Technology Transfer Center and technology exchange centers to boost the transaction of patented technologies.

F. Patent Mart Magazine

KIPO publishes Patent Mart magazine. The magazine informs readers of the descriptions, characteristics, marketability and drawings of the patented technologies exhibited at the IP-Mart and the Permanent Patented Technology Market. It also contains information on the support available from various organizations concerned with the commercialization of patented technologies. In addition, the bimonthly magazine provides information on patented technologies that are dormant. Three-thousand copies of each issue are distributed nationwide to corporate departments responsible for patents, as well as to venture capitalists, member companies of the Korea Invention Promotion Association, government organizations and government-funded libraries.

Aside from providing information on patented technologies, the magazine also publishes information on various support programs available to SMEs and venture companies for the commercialization of their technologies; for example, assessment of patented technologies, transaction recommendations and support for the production of prototypes.

G. Operation of Regional IP Centers

At Busan, Kwangju, Daejeon and Chuncheon, KIPO operates regional IP centers to facilitate the transaction of technologies that remain dormant even after considerable amounts of time and money have been invested in their development.

The centers aim to provide easy access to patented technologies in these regions. In cooperation with the Permanent Patented Technology Market and the Center for Commercialization of Patented Technologies at the Korea Invention Promotion Association, the centers provide consultations on trading patented technologies, thereby improving the efficiency and expertise of technology transfers at the regional level.

46

2. Infrastructure for Objective Evaluation of Patented Technologies

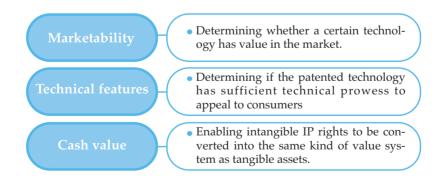
A. Overview

Objective evaluation of the economic value of patented technologies is important for the commercialization and transaction of patented technologies. Such information is essential for determining the value of patented technologies as assets.

A public survey that KIPO conducted among one thousand patent owners in April 2002 showed that only 26.6 percent of technologies registered as patents or utility models had been commercialized and only 11 percent had achieved commercial success.

Unfortunately, the cost, effort and time invested in the development of technologies that remain dormant are a waste of resources not only for inventors but also for the nation. Consequently, to facilitate the commercialization of patented technologies, KIPO is endeavoring to compare the economic value of patented technologies with objective standards, thereby improving the prospects for commercialization and transaction. To achieve this goal, KIPO assumes part of the evaluation cost for individuals and SMEs, and it designates institutions to conduct the evaluations. It also runs a training program on the evaluation of patented technologies.

The evaluation of patented technologies comprises three categories: marketability, technical features and cash value.



B. Financial Support for the Evaluation of Patented Technologies

According to Article 21(2) of the Invention Promotion Act, if an individual or SME requests a subsidy for evaluation expenses incurred after a complete evaluation of the technical features or marketability of a patented technology, KIPO will subsidize up to 90 percent of the evaluation costs for the year in which the request is made, though the total amount of the subsidy may not exceed 30 million won.

Eligible applicants for the subsidy include owners whose rights are registered in accordance with the Patent Act and the Utility Model Act when the application is made, inheritors of rights, and those to whom exclusive licensing rights have been granted.

Evaluation results are used as objective data to do the following:

- Confirm technical features and commercial feasibility
- ▶ Transfer rights through trade centers for the commercialization of patented technologies
- Grant licensing rights
- Mediate joint venture.

Furthermore, technologies evaluated as superior are given priority when institutions such as the Korea Technology Credit Guarantee Fund and the Korea Invention Promotion Association support technologies through such programs as the Priority Credit Guarantee, the Production of Prototypes for Superior Inventions and Priority Purchase Recommendations for Superior Technologies.

A comprehensive review is carried out when selecting which technologies will receive a subsidized evaluation. In particular, the evaluators examine the appropriateness, specificity and practicality of technologies. They also consider specific plans for using the technologies and the expected contribution to the nation's industrial development. When evaluation scores are tied, priority is given to inventors with low fiscal capability, followed by individual inventors and SMEs.

In accordance with Article 21 of the Invention Promotion Act, KIPO granted 730 million won for the evaluation of 57 technologies in 2002. The evaluations are conducted by institutions designated to evaluate the commercial feasibility and technical features of these technologies.

Table 7. Financial support for patent evaluations

(Unit: million won)

	1997	1998	1999	2000	2001	2002
Budget (direct project cost)	100	100	100	604	604	800
No. of applications	37	39	24	1,473	50	57
No. of cases supported	37	39	24	1,473	50	57
Amount of money granted	73	51	63	559	491	730

Note: 1. The budget refers to the direct project costs, excluding the labor costs and miscellaneous expenses for each year.

C. Selection of Evaluation Institutions

In consultation with the heads of relevant government agencies, KIPO selects the institutions that will evaluate the patented technologies that require fast-track commercialization. It considers public research institutes, government-funded research centers, private research institutes, and organizations that specialize in evaluating the technical features and commercial feasibility of technologies.

Since the evaluation of patented technologies requires advanced technical ability, expertise and objectivity, KIPO comprehensively reviews the capabilities of prospective evaluation institutions. Specifically, it reviews their history of conducting evaluations or similar activities over the previous three years, determines if they have the experts and facilities needed to perform the evaluations, confirms their specialization in specific technical areas, and reviews their evaluation methodology.

^{2.} In 2000, 1,434 technologies registered with the IP-Mart were evaluated.

If an institution is selected to conduct evaluations as a result of misrepresentation or illegitimate means, its status as an evaluation institution is cancelled. An evaluation institution will also lose its status under any of the following circumstances:

- ▶ If it loses its capability to evaluate technical features and commercial feasibility
- ▶ If it violates the Invention Promotion Act or the directives or treatments delivered in accordance with the Invention Promotion Act
- ▶ If it fails to provide a general evaluation opinion and uses ambiguous terms that make the evaluation results difficult to understand
- ▶ If it evaluates only specific areas that are either advantageous or disadvantageous to the owner of a right
- ▶ If it performs the evaluation in an inappropriate manner

Furthermore, the technologies to be evaluated, the scope of the evaluation, the financial support to the institution being evaluated and the evaluation fee can be determined through negotiations with the institutions. However, when negotiating the evaluation fee, consideration is given to the technologies to be evaluated, the scope of the evaluation and the evaluation period. Evaluation institutions should not disclose the evaluation results to any third party without the consent of the party that requested the evalua-



tion; however, the results may be disclosed to a third party if, as a result of consultations with the KIPO commissioner, disclosure is considered necessary for the public goods.

D. Training Program on Evaluation of Patented Technologies

Despite the importance of evaluating patented technologies, no special evaluation institutions exist and qualified evaluation experts are few. KIPO consequently runs a

program in conjunction with the Korea Invention Promotion Association to train experts on the evaluation of patented technologies.

The program is aimed at producing evaluation experts from among patent lawyers who appraise patents and other IPs in accordance with the Patent Lawyers Act. For two days, from December 18 to 19, 2001, a training program was conducted for 150 patent lawyers from the Korea Patent Lawyers Association at the Korea Science Technology Center. The program included the following subjects:

Evaluation of Patented Technologies

Patents and Evaluations

Evaluation Case Studies

Guidelines for the Evaluation Process

Evaluation and Corporate Accounting

Intangible Assets and Evaluation



KIPO intends to diversify the training program into a beginners level, an experts level and an advanced level. It also plans to analyze how well the institutions that distribute the evaluation models for patented technology use the evaluations. Furthermore, it will analyze the benefits of the training program, while studying how to provide relevant training in conjunction with the Korea Technology Transfer Center and other related institutions.

I. Financial Support for the Commercialization of Patented Technology

1. Funding for the Financial Support Program

A. Overview

To overhaul industrial structures and improve national competitiveness in today's economic environment, it is imperative to lead global markets by means of core technologies with secured IP rights. 1. Funding for the Financial Support Program



2. Strengthened
Operation
of the Committee
on the
Commercialization
of Patented
Technologies

To financially support the commercialization of dormant technologies, KIPO formed a group in November 1999 called the Committee on the Commercialization of Patented Technologies. Depending on the progress of commercializing a certain technology, the committee offers different kinds of support programs, including knowledge-creation support, technology development, design development, venture incubation, support for facilities and operating capital.

In addition, KIPO independently provides other financial support programs such as the following:

- ▶ Supporting patented technology evaluations
- ▶ Supporting the production of patented technology prototypes
- ▶ Running the IPR assessment program
- ▶ Offering financial support for overseas IP applications
- ▶ Confirming the technologies of venture companies, thereby enabling them to receive additional benefits.

KIPO also holds road shows to attract investments from business angels. Throughout the year, it conducts briefing sessions on technology transfer and facilitates investor relations for technologies exhibited at the Permanent Patented Technology Market.

B. Increased Funding for Commercializing Patented Technologies

To promote the commercialization of patented technologies, KIPO supports IP assessment, subsidizes the evaluation of patented technology, supports the production of prototypes for superior inventions, and subsidizes overseas applications.

The IP assessment program is designed to establish the R&D direction for individuals or users. It prevents redundant investment before beginning R&D or introducing technologies. Under this program, KIPO assumes 50 percent of the costs of having a group of patent experts comprehensively assess a proposed technology in relation to existing technologies. The financial support is limited to 15 million won.

In its prototype program, KIPO financially supports the production of a prototype for a superior invention to determine the invention's commercial viability. To qualify for this program, patents and utility models must be owned by individuals or owners of SMEs who reside in Korea. A maximum of 30 million won a year may be granted for the production of a single prototype for each applicant. For students and poor inventors, 100 percent of the production cost is subsidized, while 90 percent is granted for individual inventors and 80 percent for SMEs.

Under the overseas application support program, 2 million won may be granted to an individual or SME that files an application overseas. Furthermore, an individual or SME can receive such support for three different overseas applications a year.

To execute these support programs in 2002, KIPO spent 2.9 billion won, of which one billion won was spent on technical evaluations.

Table 8. Financial support in 2002 for using patented technologies

No.	Program	Amount
1	Technical Evaluation Support	1 billion won
2	Prototype Production Support	800 million won
3	Permanent Patented Technology Market	500 million won
4	Overseas Application Support	400 million won
5	IP Assessment	200 million won

Offering a support system controlled by the government, the Committee on the Commercialization of Patented Technologies endeavors to prevent patented technologies of superior quality and creativity from becoming obsolete. Many inventions become obsolete because they have no opportunity of being marketed due to a lack of capital, information or collateral. By securing a larger budget and increasing the level of funding, the committee hopes to support the commercialization of patented technologies to a greater extent.

C. Promotion of Investment Through Investor Relations Activities

KIPO has been holding road shows to attract investment in the technologies exhibited at its Permanent Patented Technology Market. This enables individuals and SMEs with insufficient funds to market their technologies by negotiating with private investors.

At the road shows of the Permanent Patented Technology Market, which target about 30 institutional investors, the features, strengths, weaknesses and commercial prospects of each technology are explained. Specifically, the quality and features of each technology are demonstrated to the audience on video or through simulations, and presentations are given on industry trends, market trends and expected revenue streams.

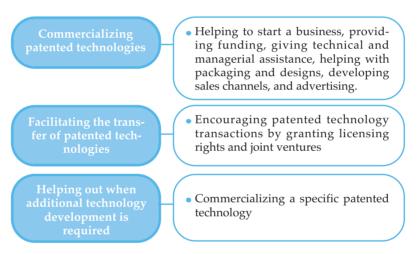
The road show also features a help desk composed of KIPO examiners, technical trade experts and other IP experts. The experts discuss a variety of challenges facing companies - from the moment companies acquire IPRs until they transfer ownership - and they give advice on the commercialization of inventions.

KIPO holds the road shows throughout the year to attract private investors and to encourage technology transfers.

2. Strengthened Operation of the Committee on the Commercialization of Patented Technologies

A. Overview

The Committee on the Commercialization of Patented Technologies comprises eleven organizations that support SMEs, including the Ministry of Commerce, Industry and Energy, KIPO, the Small and Medium Business Administration, the Korean Agency for Technology and Standards, the Korea Institute of Industrial Technology Evaluation and Planning, the Korea Technology Credit Guarantee Fund, and the Small Business Corporation.



The amount of support the committee can provide is determined through consultations with the Ministry of Commerce, Industry and Energy, the Small and Medium Business Administration and KIPO. After deciding upon the extent of the committee's support, each supporting organization executes its programs.

B. Comprehensive Plan for Promoting the Commercialization of Patented Technologies

The major tasks of the Committee on the Commercialization of Patented Technologies are to upgrade and maintain the systems related to technology commercialization, to determine a comprehensive support strategy, to review the progress of the efforts and programs to promote commercialization and to coordinate the policies of various support organizations. To support the initiative for commercializing technology more systematically, the Ministry of Commerce, Industry and Energy (Directive no. 1999-21) established committee guidelines and developed a comprehensive plan to promote the commercialization of patented technologies.

The comprehensive plan endeavors to identify the demand for support in technology transfers and commercialization and defines the role of governmental organizations in building an effective support structure. Instead of merely providing raw technical information, the plan aims to provide investors and consumers wishing to transfer technology with processed information on patented technologies - namely, through the PM program and conferences that identify new technology. The plan also includes measures to stimulate the trade of patented technologies by establishing alliances and cooperation among domestic and overseas technology markets and by exploring sales channels for patented technologies.

The plan defines the roles and responsibilities of organizations involved in the initiative for promoting commercialization. The efficiency of the plan is improved by regularly monitoring the performance and progress of the programs.

C. Support for Producing Prototypes of Superior Inventions

In the program that supports the production of prototypes, applicants should have their patent or utility model rights registered for the technologies they wish to commercialize. To qualify for support, applicants should satisfy the criteria regarding commercial feasibility, technical prowess, contribution to the industrial development of the nation, and the willingness and ability of applicants to commercialize their inventions.

The preferred technologies for the prototype program are superior inventions and creations acknowledged by evaluation institutions, inventions and creations identified by the IP Assessment Program, technologies of superior quality and creativity awarded in technology development programs sponsored by KIPO, inventions and creations selected by the Joint

Review Board, and inventions and creations of companies that reward employees for their inventions.

The cost of producing a prototype is reimbursed after the prototype has been completed and evaluated and the cost has been confirmed. Applications should be submitted to the Patented Technology Commercialization Center of the Korea Invention Promotion Association.

KIPO plans to provide guidelines on technical and managerial issues to those who have enjoyed the benefits of the prototype program for one to three years after the grant has been provided. This will be done in cooperation with the Committee on the Commercialization of Patented Technologies, the Small and Medium Business Administration, and the Small Business Corporation to improve the success of technology commercialization. KIPO also hopes to increase the financial support of the prototype program to cover capital expenditure and operating costs.

D. Improved Public Awareness on the Commercialization of Patented Technologies and Dissemination of Success Stories

In May and November every year, KIPO and the Korea Invention Promotion Association hold a conference to present patented technologies that have been successfully commercialized. The conference is aimed at sharing successful experiences of commercializing patented technologies, while enabling participants to learn invention know-how. It also encourages the establishment and development of SMEs and venture companies.

Participants present their experience on the entire commercialization process, including the development of the technology, its commercialization, and its distribution and sale. Seven companies that survive the preliminary review present their stories.

The stories of the seven finalists are evaluated in a variety of areas such as the process of technology development, the manager's business vision and the quality of the presentation. The gold medallist is honored with the Commerce, Industry and Energy Minister's Prize, while the three silver medallists are awarded the KIPO Commissioner's Prize; the three bronze medallists are acknowledged with the Korea Invention Promotion

Association Chair's Prize.

These success stories are published and distributed to SMEs and venture companies, and also to the audience at the explanatory sessions of the IPR Acquisition Campaign for SMEs. The publication features details such as motives for the invention, the commercialization challenges faced by the companies, the commercialization process and success factors. In addition, the success stories of the awardees are displayed in the Successful Commercialization Exhibit of the Permanent Patented Technology Market, while the presentations are filmed and registered with the IP-Mart http://www.patentmart.or.kr.

By means of such conferences, KIPO strives to ensure that SMEs and venture companies develop and execute detailed and thorough strategies in the early stages of business planning and that they focus their efforts on commercializing and disseminating their technologies. In this way, they are more likely to achieve profitability and success in the business world.



58

Support for the Distribution and Sale of Patented Products

1. Promotion of Patented Products of Superior Quality

A. Patented Product Market

To explore sales channels for the high-quality patented products of SMEs that have a low fiscal and marketing capability, KIPO held a special event called the Patented Product Market at the COEX Center from May 14 to 16, 2002. A hundred and ten patented products of high quality were exhibited in 134 booths, and products worth 510 million won were sold.

1. Promotion of Patented Products of Superior Quality

2. Publicizing Superior Patented Products through the Mass Media

The event was planned to support SMEs that were experiencing difficulties in selling their products due to a lack of advertising as well as those unable to commercialize their patented technologies owing to a lack of funds or investment.

During the event, a variety of consultation booths and visual aids were available, and books on invention and commercialization were distributed free of change to improve invention awareness among participants and visitors. The patented products exhibited at the market were also publicized.

KIPO plans to hold the event annually to improve the sales channels for SMEs and venture companies.

B. Daejeon Invention and Patent Expo

KIPO, the Patent Court and about 70 research institutes with 15,000 researchers are located in the city of Daejeon, which is home to 1.4 million people. Recently, many SMEs and venture companies have sprouted up in a so-called venture boom around Daedeok Valley. Since KIPO moved to Daejeon in August 1998, KIPO and the municipal government have been striving to develop the city into an IP Mecca.

As part of such efforts, the Daejeon Invention and Patent Expo was held at KOTREX, Daejeon, for six days from September 19 to 24, 2000 and at the Daejeon Multipurpose Arena for four days from October 11 to 14, 2001. The Expo, which is cohosted by KIPO and the Daejeon municipal government, and supervised by the Korea Invention Promotion Association, is aimed at facilitating the transfer and commercialization of technologies.

With free admission for the public, the Expo consists of the Trade Expo for Inventions and Patents, the Patented Technology Market and the Student Invention Exhibition. In 2001, the exhibit and sales corner of the Expo, which featured products from nine provinces, including South Cholla and North Choongnam, sold 65 patented products from 40 companies.

C. Korea Patented Technology Competition

By acknowledging inventors of outstanding inventions and exhibiting superior inventions, the Korea Patented Technology Competition arouses the public's awareness and interest in inventions. The competition

improves technology transfers, accelerates commercialization of superior patented technologies and facilitates the trade of high-quality patented products.

The competition, which is hosted by KIPO and supervised by the Korea Invention Promotion Association, takes place in November or December



each year under the sponsorship of the Ministry of Commerce, Industry and Energy, the Korea Chamber of Commerce, the Federation of Korean Industries and the Korea Patent Lawyers Association.

To motivate inventors and raise public awareness of inventions, the competition not only exhibits outstanding inventions but also awards a variety of prizes. The prizes include the President's Prize, the Prime Minister's Prize, the WIPO Secretary General's Prize and the KIPO Commissioner's Prize.

Following a preliminary review by the organization that supervises the

competition, the awardees are finalized by the KIPO's Performance Evaluation Committee, with preference given to SMEs and individual inventors. The participants and award winners enjoy many benefits. For example, they can buy, sell or license their inventions and they gain extra points when presenting their inventions at the Invention Day Ceremony in the following year. In addition, the inventions and technologies of award-winning companies are given priority in a variety of financial support programs and in the Priority Purchase Recommendation Program. In this way, governmental or private organizations can put these inventions or technologies at the top of their procurement list.

The Patented Product Trade Expo is held in conjunction with the competition to help explore sales channels for high-quality patented products that have been successfully commercialized and merchandised. Trade is boosted by publicizing these products through home shopping channels, cable TV, newspapers and other forms of media.

D. Priority Purchase Recommendation for Superior Inventions

The Priority Purchase Recommendation Program recommends that inventions with outstanding features and quality be purchased by national and local governmental organizations, organizations funded by national and local governments, and institutions under their control. For an invention to be recommended, owners of the IP rights, inheritors of the rights, or those granted exclusive licensing rights or conditional licensing rights should be registered in accordance with the Patent Act, the Utility Model Act and the Industrial Design Act. By facilitating sales through its recommendations, the program aims to help inventors recover their investment and secure an appropriate profit.

Table 9. Statistics on priority purchase recommendations for superior inventions (Unit: case, million won)

	1997	1998	1999	2000	2001	2002
No. of applications	12	18	15	45	15	19
No. of recommendations	8	17	14	44	15	18
No. of purchases	2	7	3	7	4	-
Payments	1,035	2,179	56	5,824	448	-

Because KIPO has no binding influence on organizations such as the Public Procurement Service, the effectiveness of its recommendation program is low. Nonetheless, companies benefit from the program when they sign contracts with organizations listed as priority purchase organizations.

To support SMEs and venture companies, the Public Procurement Service runs a similar program called the High-Quality Product Recommendation Program. Under this program, the Public Procurement Service nominates high-quality patents and utility models of new technologies such as KT, NT, EM, IT and GR. It then signs unilateral contracts with the producers of these products without requiring them to bid for the contracts. By the end of 2002, as many as 799 products had been selected as high-quality products, and in the same year products worth 285.1 billion won were sold.

Table 10. Selection and purchase of patented products

Year	1996 to 1998	1999	2000	2001	2002
No. of selected products (cumulative total)	118	300	538	683	799
Financial support for exploring sales channels (100 million won)	-	-	1,913	2,913	2,851
No. of selections (per year)	1 to 3	4	6	6	3

2. Publicizing Superior Patented Products Through the Mass Media

The cable TV channel MBN introduced patented technologies and products of outstanding quality in a program titled Age of the Patent War; and patented products exhibited at trade shows are being sold via CJ39, a home shopping channel. KIPO has been publicizing superior patented products Through the mass media, particularly newspapers and television to explore appropriate sales channels.

A. Publicizing High-Quality Patented Products via TV Home Shopping Channels

To build a variety of systems for transacting patented technologies and products of superior quality, KIPO takes advantage of the mass media, especially television. Through the Korea Agriculture and Fishery Corporation, Woori and Yonhap joined the home shopping market in 2001, bringing the number of home shopping companies to five, including LG and CJ39. The Korea Invention Promotion Association signed a business cooperation agreement with CJ39 to provide sales channels for patented products because three new players in the market were expected to begin broadcasting in earnest in 2001.

To help SMEs explore sales channels for their products, KIPO will continue to take advantage of home shopping channels whenever it holds a trade expo.

B. Joining Forces with TV Stations to Promote the Sale of Patented Products

KIPO initially planned to involve TV stations whenever it organized trade or sales events. In this way, it hoped to explore sales channels for high-quality patented products introduced at events such as the High-Quality Patented Product Market, while improving the image of those products in the minds of the TV audience. However, when consulting with the Korea Broadcasting Commission, KIPO learned that introducing the price, quality, features and names of certain products through ground-wave TV stations such as KBS and MBC violated the Broadcast Act and regulations of the Broadcast Standards. Therefore, KIPO has resorted to home shopping

channels on cable TV to help companies with high-quality patented products secure sales channels.

Nonetheless, KIPO works to have trade events for high-quality patented products covered by the news programs of such TV channels as YTN, KBS, MBC and SBS. In this way, more consumers can understand the outstanding qualities of patented products and will be encouraged to buy these products.

KIPO also publicizes the outstanding features of patented products presented at trade shows through newspapers such as the Maeil Business Newspaper and the Korea Economic Daily. It distributes press releases to newspapers to improve the trade of high-quality patented products of SMEs and venture companies.

KIPO will continue to take advantage of the mass media, particularly newspapers and television, to help individuals and SMEs explore sales channels for their high-quality patented products.



Acronyms and Abbreviations

COEX Center: Convention and Exhibition Center

DINI Destination ImagiNation

IIPTI: International Intellectual Property Training Institute

IP: Intellectual Property

IP-Mart: Internet Patent-Mart

IPRs: Intellectual Property Rights

KIPO: Korean Intellectual Property Office

KIPRIS: Korea Industrial Property Rights Information Service

KOTREX: Korea Trade Exhibition Center, Daejeon

KWIA: Korea Women Inventors Association

PMs: Patent Maps

SMEs: Small and Medium Sized Enterprises

TRIPS: Trade Related Aspects of Intellectual Property Rights

Table List

	1	
10	Table 1.	Curriculum of Invention Club Courses
24	Table 2.	Users of the pro bono patent consultation service
32	Table 3.	Current status of employee inventions
38	Table 4.	Structure for developing and using PMs
42	Table 5.	Survey results on dormant patents
44	Table 6.	Number of technologies traded at the Permanent Patented Technology Market
49	Table 7.	Financial support for patent evaluations
53	Table 8.	Financial support in 2002 for using patented technologies
61	Table 9.	Statistics on priority purchase recommendations for superior inventions
62	Table 10.	Selection and purchase of patented products



Editorial Board

International Cooperation Division of KIPO
Publisher

KOREAN INTELLECTUAL PROPERTY OFFICE (KIPO)

Government Complex-Daejeon 920, Dunsan-dong, Seo-ku, Daejeon Metropolitan City 302-122, Korea
www.kipo.go.kr Tel: +82-42-481-5064~74 Fax: +82-42-472-3459