

## Highlights of 2007

### Applications

#### Domestic applications

The overall IPR applications filed at KIPO in 2007 numbered 377,496, an increase of 1.3 percent over the 372,520 applications of the previous year.

A breakdown of that figure shows that patent applications rose slightly, by 2.7 percent, from 166,189 to 170,711. Utility model applications dropped by 36.2 percent, from 32,908 to 20,998. Industrial design applications numbered 54,138, which represents an increase of 6.1 percent over the previous year's figure of 51,039. Trademark applications rose by 7.6 percent, from 122,384 in 2006 to 131,649 in 2007.

Of the 377,496 IPR applications filed in 2007, residents of Korea filed 311,030 (or 82.4 percent), which is 0.1 percent less than in the previous year; and residents of foreign countries filed 66,466 (or 17.6 percent), which is 12 percent more than in 2006.

Looking at the IPR applications filed by residents of foreign countries, the vast majority, 42,568, were for patents, though this figure exceeds the previous year's figure by 7.1 percent; of the rest, 452 were for utility models, 3,475 were for industrial designs, and 19,971 were for trademarks.

Most of the applications of foreign applicants came from three countries: 24,103 (or 36.3 percent) came from Japan, 19,743 (or 29.7 percent) came from the USA, and 5,015 (or 7.5 percent) came from Germany.

A breakdown of patent applications by technological field shows that 31.7 percent of domestic applications and 29.0 percent of foreign applications pertained to the electrical and communications fields. Domestic applications in the fields of agriculture and fisheries, non-metal processing, and nuclear power increased by 23.5%, 23.5% and 63.6%, respectively, over the previous year. Foreign applications in the fields of metal and non-metal processing, weapons and blasting, and machine parts increased by 23.5%, 17.2% and 17.2%, respectively, over the previous year.

#### Applications by IPR type

IPR type	2003	2004	2005	2006	2007	Percentage change for 2007
Patents	118,652	140,115	160,921	166,189	<b>170,711</b>	2.7
Utility models	40,825	37,753	37,175	32,908	<b>20,998</b>	-36.2
Subtotal	159,477	177,868	198,096	199,097	<b>191,709</b>	-3.7
Industrial designs	37,607 (39,346)	41,184 (42,879)	45,222 (46,615)	51,039 (52,879)	<b>54,138</b> <b>(55,460)</b>	6.1 (4.9)
Trademarks	108,917 (148,691)	108,464 (147,319)	115,889 (156,270)	122,384 (164,432)	<b>131,649</b> <b>(179,387)</b>	7.6 (9.1)
Total	306,001 (347,514)	327,516 (368,066)	359,207 (400,981)	372,520 (416,408)	<b>377,496</b> <b>(426,556)</b>	1.3 (2.4)

Note: 1. Figures in parentheses include multiple applications.

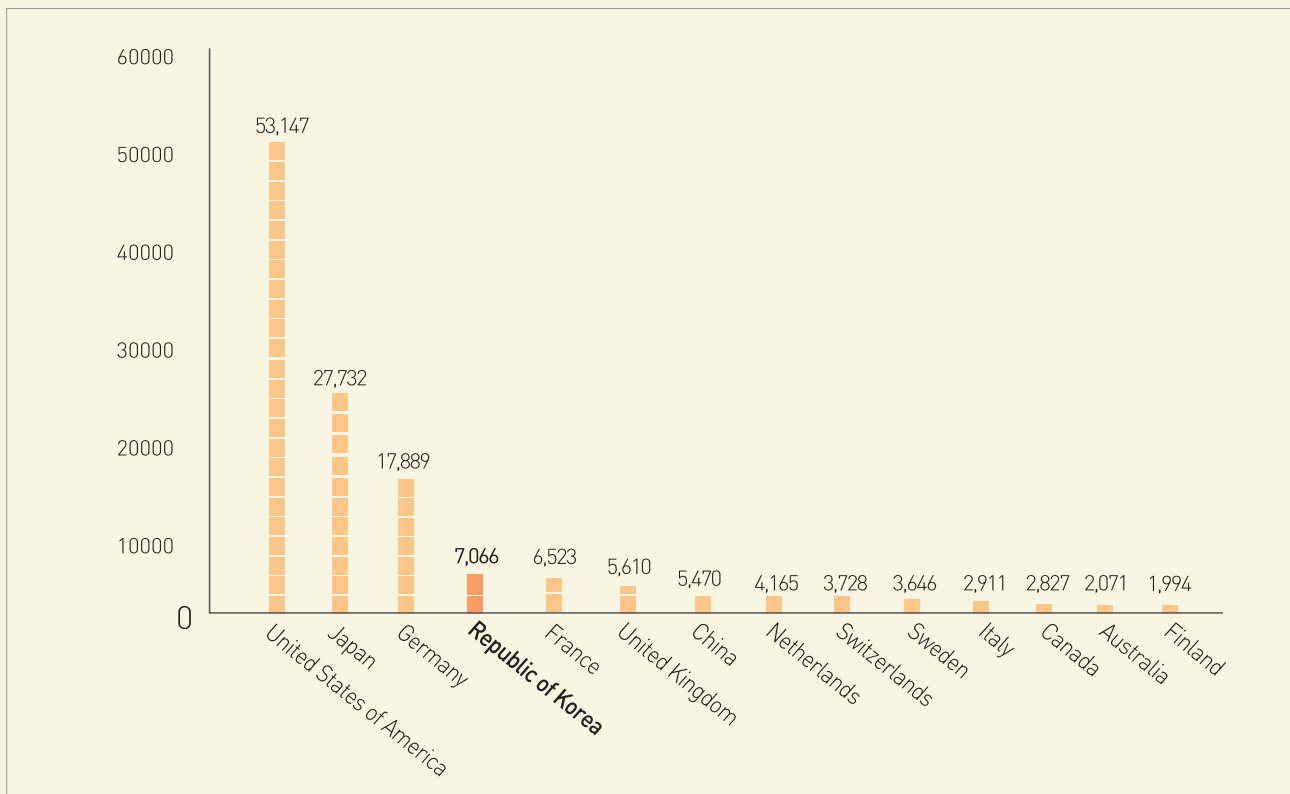
2. The figures for 2007 are preliminary.

## PCT applications

### Overall status

The overall number of PCT applications filed in 2007 was 158,400, an increase of 8,818 (or 5.9 percent) over the previous year. Of these applications, residents of Korea filed 7,066. Although that figure is only 4.5 percent of all PCT applications filed in 2007, it represents a significant increase of 18.9 percent over the 5,945 of the previous year and it elevated Korea's world ranking from fifth (out of 136 member countries) in 2006 to fourth in 2007.

### Ranking for PCT applications (2007)

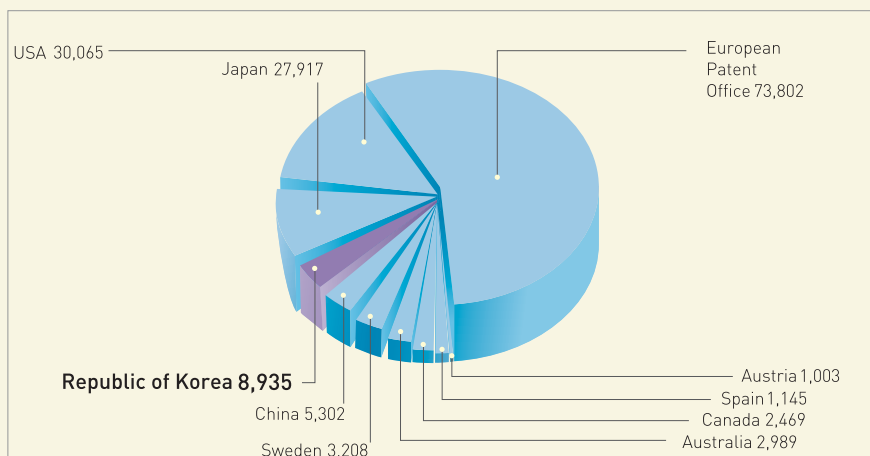


Note: Based on PCT Yearly Review 2007

## Highlights of 2007

### Status of international searches and international preliminary examinations

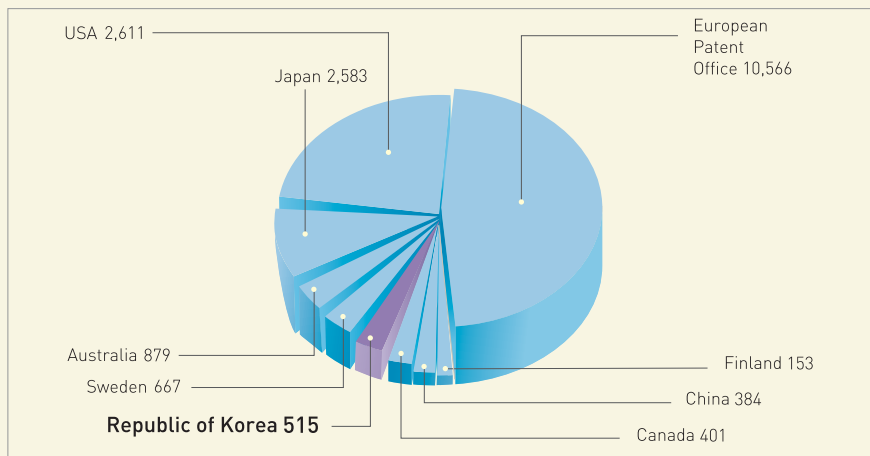
#### Status of international searches



Note: Based on PCT Yearly Review 2007

In 2007, the 12 International Searching Authorities accepted 158,400 applications for international searches. KIPO's portion numbered 8,935, earning us a ranking of fourth.

#### Status of international preliminary examinations



Note: Based on PCT Yearly Review 2007

In 2007, the 12 International Preliminary Examining Authorities conducted 19,100 examinations. KIPO's portion numbered 515, earning us a ranking of sixth.

## Examinations

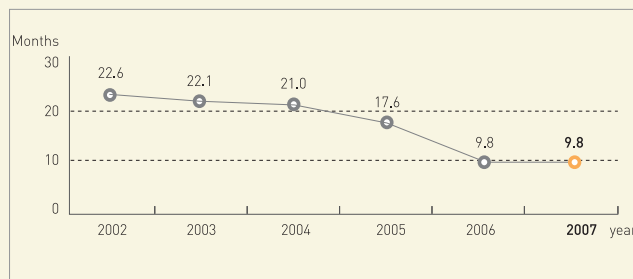
### Patents and utility models

In 2007, the number of patent and utility model applications examined by the first action standard was 143,554. (That figure is comprised of 129,147 patent examinations and 14,407 utility model examinations.)

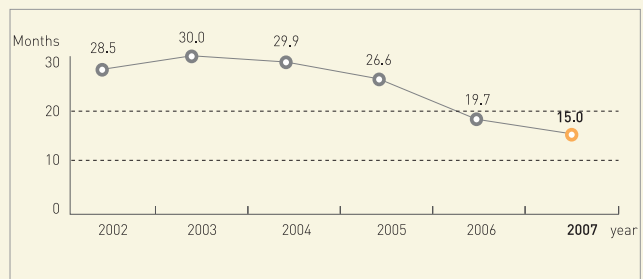
Of the 14,407 utility model examinations, 7,342 were processed under the new utility model law; 249 were processed under the quick registration system for utility models; and 6,816 were processed under a technical evaluation for utility models.

By the end of 2007, the first action pending period for patent and utility model examinations averaged a mere 9.8 months, the same as in the previous year.

First action pendency period for patent and utility model examinations



Total pendency period for patent and utility model examinations



### Trademarks and industrial designs

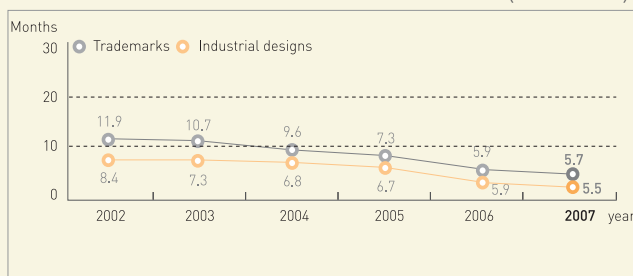
In 2007, KIPO examined on a first action basis 171,858 regular trademark applications, 58,587 industrial design applications, and 17,746 international trademark applications under the Madrid Protocol. The trademark figures represent an annual decrease of 0.1 percent and the industrial design figures represent an annual increase of 21.1 percent.

By the end of 2007, the average first action pendency period was 5.7 months for trademarks and 5.5 months for industrial designs. Compared to the previous year, these figures represent a reduction of approximately 0.2 months for trademarks and 0.4 months for industrial designs.

## Highlights of 2007

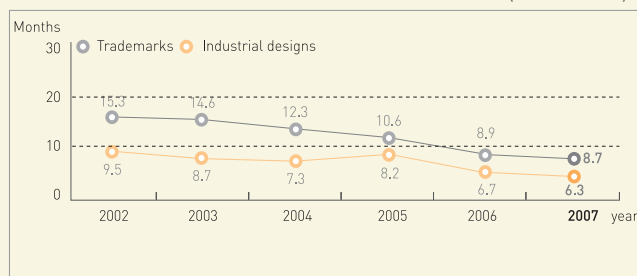
First action pendency period

(unit : months)



Total pendency period to the final decision

(unit : months)



Examinations by IPR type

Year	Patents and utility models			Industrial designs	Trademarks		Total
	Patents	Utility models	Subtotal		Domestic	International	
2001	55,766	54,550	110,316	32,276 (33,645)	87,078 (123,067)		229,670 (267,028)
2002	79,414	49,307	128,721	38,631 (40,618)	100,020 (136,041)		267,372 (305,380)
2003	93,433	48,578	142,011	40,094 (42,419)	118,796 (157,800)		300,901 (342,230)
2004	98,404	53,389	151,793	40,541 (42,080)	116,210 (156,147)	3,205 (6,560)	311,749 (356,580)
2005	131,115	49,317	180,432	40,820 (41,987)	124,892 (171,000)	4,534 (8,941)	350,678 (402,360)
2006	195,395	45,270	240,665	46,381 (48,369)	128,457 (172,045)	7,270 (15,031)	422,776 (476,113)
2007	129,156	14,407	143,563	56,584(58,587)	127,709(171,858)	8,305(17,746)	336,161(391,754)

Note: 1. Includes other items such as withdrawal, abandonment, and invalidation.

2. Figures are based on the first action.

3. Figures in parentheses include multiple applications.

## Registrations

In 2007, IPR registrations in Korea numbered 226,787, for an annual decrease of 9.5 percent. In addition, the annual registration renewals rose by 4 percent to 372,803 cases, and registration changes such as transfers rose by 9.2 percent to 181,422 cases.

Although analysis of registrations in 2007 reveals a drastic drop of 90.7% for utility models and a drop of 8.7 percent for trademarks, it also shows a rise of 2.1 percent for patents and a significant 18.7 percent rise for industrial designs.

In terms of specific industries, the electrical industry and the communications industry accounted for 69,099 registrations (or 54.8 percent), while the machinery industry accounted for 17,416 registrations (or 13.8 percent). Together these two industries comprised 68.6 percent of all patent and utility model registrations.

A comparison of registrations by individuals and legal entities shows that legal entities accounted for 75.1 percent of registrations, while individuals accounted for 24.9 percent. In terms of nationality, residents of Korea obtained 79.8 percent of the 2007 registrations, while residents of foreign countries obtained 20.2 percent. Of registrations by residents of foreign countries, the majority came from Japan (46.1 percent) and the United States (23.4 percent).

By the end of 2006, the total number of IPR registrations was 1,386,429. Of these registrations, KIPO had nullified 24,435 IPR registrations because of expiry, nonpayment of annual fees, or trials for invalidation of registration. With the addition of the 226,787 IPR registrations of 2007, the remaining registrations numbered 1,588,781.

#### Registrations by IPR type

IPR type	2003	2004	2005	2006	2007	Percentage change for 2007
Patents	44,165	49,068	73,509	120,790	<b>123,306</b>	2.1
Utility models	37,272	34,182	32,716	29,736	<b>2,766</b>	△ 90.7
Industrial designs	28,380	31,021	33,991	34,206	<b>40,611</b>	18.7
Trademarks	46,023	51,104	57,872	65,825	<b>60,104</b>	△ 8.7
<b>Total</b>	<b>155,840</b>	<b>165,375</b>	<b>198,088</b>	<b>250,557</b>	<b>226,787</b>	△ 9.5

Note: Trademark registration renewals are excluded.

## Highlights of 2007

### Improvements in the registration procedure

To prevent the extinguishment of rights due to the nonpayment of fees, we introduced various measures to inform right holders of procedures for paying the annual fees. These measures minimized the extinguishment of rights caused by the mistakes or misjudgment of patentees; they also helped resolve complaints and improved the level of customer satisfaction.

We also introduced an advanced extinguishment notification service for patentees with multiple registrations.

On July 1, 2007, the period for corrections was extended for cases in which the inventor has made a clear mistake in the description. The extension enables the inventor to make corrections even after an examiner has decided to grant the patent. The inventor may set the standard of what is meant by a clear mistake.

A standard sample is now provided for each type of registration application to help applicants comply more easily with various notifications, such as the notification of the reasons for nonacceptance.

To increase the convenience of applicants, we have simplified the procedure for paying registration fees and improved the efficiency of the payment system by reducing the number of payment mistakes and returned notices; in addition, the payment bills that describe the discounted amount are now sent together with the notification of the patent decision (though this practice only applies to the four types of bills for which the discount cannot be changed).

Because more and more customers use the certificate of registration to promote their business, we improved the system of issuing certificates to satisfy the needs of customers.

We also revised the regulations for handling registrations, as well as the registration manual, to reflect changes in the registration environment, particularly with regard to new legislation. The revisions have led to improvements not only in the coherence and efficiency of the registration work processes but also in the swiftness and accuracy of the examination process.

More than 980,000 documents (related to registrations, the PCT, applications, trials, and so on), which were formerly stored in six locations, including our training institute library, were moved for the purpose of integrated storage and management to portable bookshelves (or mobile racks) at the Invention Education Center and to the underground library of our headquarters.

To improve the efficiency of management, we catalogued the documents by type and registration number. In addition, we developed a database for the effective search of documents and uploaded the database onto the KIPOnet system.

## Trials and appeals

In 2007, KIPO received 19,416 trial petitions, which represents a 13.6 percent increase over the previous year.

A breakdown of trial petitions for the year shows that the number of petitions for patents and utility models rose by 11.6 percent to 11,703, whereas number of trial petitions for trademarks and industrial designs rose by 16.8 percent to 7,713. In addition, the ex parte cases numbered 15,133 (or 77.9 percent of all cases) and the inter partes cases numbered 4,283 (or 22.1 percent of all cases). Moreover, residents of Korea accounted for 12,225 (or 63 percent) of the trial petitions, whereas residents of foreign countries accounted for 7,191 petitions (or 37 percent).

In 2007, we concluded 18,978 trials. Of these, 12,194 (or 64.3 percent) were for patents and utility models, and 6,784 (or 35.7 percent) were for trademarks and industrial designs.

The ex parte suits filed in 2007 with the Patent Court numbered 436, which is slightly more than the 331 suits filed in the previous year. The ex parte suits comprised 271 patent and utility model cases and 165 trademark and industrial design cases. As the defendant in the ex parte suits, the KIPO Commissioner had a success rate of 83.1 percent, up slightly from the 75.6 percent success rate of the previous year.

The final appeals of the ex parte suits filed with the Supreme Court in 2007 were up by 34 from the previous year for a total of 73. Of these, patent and utility model cases numbered 64, while trademark and industrial design cases numbered 43. As the defendant in the final appeals, the KIPO Commissioner had a success rate of 82.7 percent, down slightly from the 83.3 percent success rate of the previous year.

### Comparison of domestic and foreign trial petitions

	2003		2004		2005		2006		2007	
	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign
Patents	2,339	1,482	3,133	1,665	4,362	2,780	6,209	3,516	7,116	3,834
Utility models	780	8	812	15	771	15	758	7	744	9
Industrial designs	554	50	538	34	456	28	515	31	584	27
Trademarks	2,505	1,431	2,890	1,692	3,432	2,437	3,315	2,741	3,781	3,321
Subtotal	6,178	2,971	7,373	3,406	9,021	5,260	10,797	6,295	12,225	7,191
<b>Total</b>	<b>9,149</b>		<b>10,779</b>		<b>14,281</b>		<b>17,092</b>		<b>19,416</b>	

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



## Highlights of 2007

### Trial statistics

Category	Rights	2003	2004	2005	2006	2007	Percentage change for 2007
Petitions	Patents	3,821	4,798	7,142	9,725	<b>10,950</b>	12.6
	Utility models	788	827	786	765	<b>753</b>	△ 1.6
	Industrial designs	604	572	484	546	<b>611</b>	11.9
	Trademarks	3,936	4,582	5,869	6,056	<b>7,102</b>	17.3
	Total	9,149	10,779	14,281	17,092	<b>19,416</b>	13.6
Disposals	Patents	2,836	4,051	6,572	9,793	<b>11,333</b>	15.7
	Utility models	728	876	1,041	857	<b>861</b>	0.5
	Industrial designs	576	599	535	506	<b>538</b>	6.3
	Trademarks	3,718	4,206	5,003	5,630	<b>6,246</b>	10.9
	Total	7,858	9,732	13,151	16,786	<b>18,978</b>	13.1
Successful petitions	Patents	559 (44.2)	1,009 (44.0)	1,151 (42.7)	2,192 (45.0)	<b>2,221 (39.0)</b>	-
	Utility models	287 (40.1)	393 (45.3)	486 (47.0)	391 (46.4)	<b>364 (43.4)</b>	-
	Industrial designs	280 (52.5)	277 (52.0)	227 (46.9)	262 (56.8)	<b>231 (47.5)</b>	-
	Trademarks	2,077 (55.9)	2,484 (59.1)	2,687 (53.7)	3,194 (57.1)	<b>3,689 (59.6)</b>	-
	Total	3,203 (51.4)	4,163 (52.7)	4,911 (48.8)	6,039 (51.3)	<b>6,505 (49.2)</b>	-

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

## Improvements in application procedures

We have improved the procedure for handling partial defects in multiple applications. In accordance with patent regulations, we permit customers in some instances to submit two or more applications in a single document. In the past, however, any defect in just one part of a multiple application led to the rejection of the whole document. For greater efficiency and convenience, we have changed the system so that only the defective portion of a multiple application is rejected. That means the nondefective parts of a multiple application are now accepted even though they were submitted in a single document with a defective portion.

We have also improved the procedure for handling partial defects when the power of attorney is shared by multiple attorneys. In the past, we declared a document to be invalid if the power of attorney for multiple attorneys was defective or if a complementary document regarding the defect was either not submitted or found to be improper. To ensure continuity of work and swiftness in our work procedures, we have adjusted the system so that only the parts of a document affected by any defect in the power of attorney are invalidated.