

# Toward an IP-friendly society



## **Towards an IP-friendly society**

Since 1987, we have made continual efforts to raise public awareness of counterfeit products through various crackdowns and campaigns. In 2009, we expanded the regional anticounterfeiting offices; we implemented a system of monitoring the online distribution of counterfeit goods; and we sought special judicial police authority for our IP enforcement staff, empowering them with full investigative rights and the right to search and seize.



# Domestic IP protection

## Anticounterfeiting measures

To reinforce our anticounterfeiting measures, we increased the number of enforcement officials from four to 13 in 2009. We also established permanent enforcement squads in the Seoul and Gyeonggi areas, Yeongnam and the Chungcheong-Honam areas. The targeting of areas adjacent to subway stations and areas with a large floating population led to a dramatic increase in the number of warnings issued. Our enforcement officials issued 2,849 warnings in 2009, which is a 150% increase over the previous year. Joint crackdowns with other investigative agencies in 2009 led to the filing of 122 criminal charges, which is a huge increase of 358% over the previous year.

### Results of anticounterfeiting measures

unit : cases

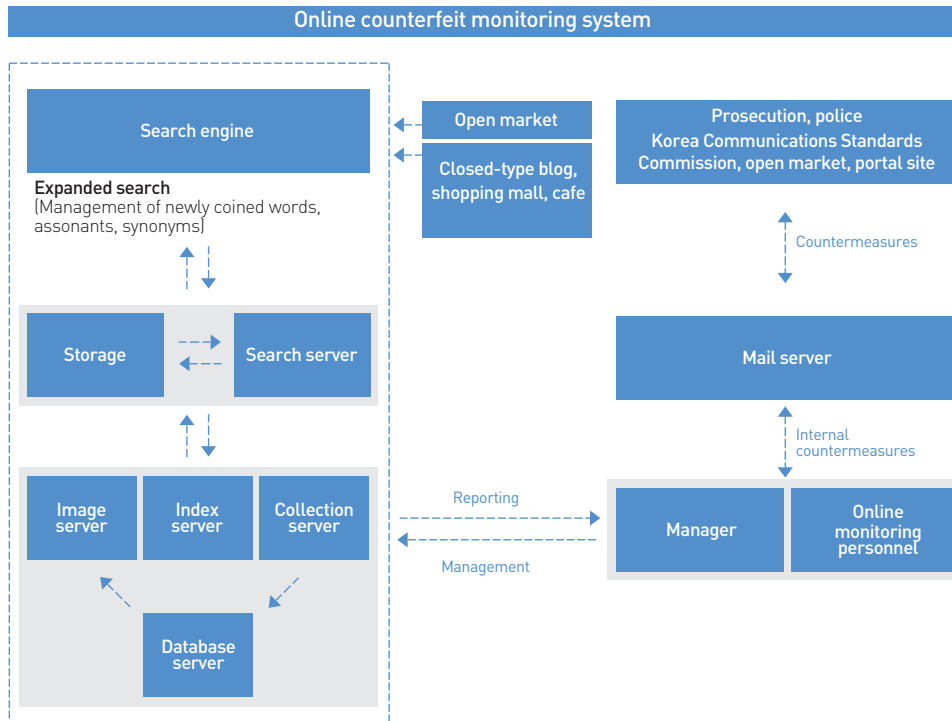
Classification		'04	'05	'06	'07	'08	'09	Total
No. of crack-downs	Regular crackdowns	18	20	18	18	18	70	162
	Special crackdowns	36	15	20	12	20	59	162
	Total crackdowns	54	35	38	30	38	129	324
Results	Warnings	425	749	966	1,066	1,147	2,849	7,202
	Criminal charges	198	88	128	116	34	122	686
	Total warnings and charges	623	837	1,094	1,182	1,181	2,971	7,888
	No. of counterfeit goods detected	149,555	17,742	14,852	35,366	97,751	84,580	399,846

In 2009, we requested the Korea Communications Standards Commission to shut down 130 Web sites that sold counterfeit goods. We also started a 24-hour system of monitoring online transactions of counterfeit goods, targeting high-frequency periods such as weekends, late nights, and early mornings. All these efforts reflect our commitment to eradicating counterfeit goods.

### Closure of Web sites that deal in counterfeit goods

unit : cases

Classification		'07	'08	'09	Total
Closure of individual online shopping malls (by the Korea Communications standards Commission)	Requests	48	207	365	620
	Closures	48	123	130	301
Online shopping malls		-	526	160	686
Portal sites		-	171	332	503



### Special judicial police authority for KIPO officials

Despite our efforts to strengthen anticounterfeiting measures, the enforcement actions of our office have been limited exclusively to administrative measures. However, owing to the need for more foreign investors as well as a higher international credit rating, there has been a call from international companies for a greater level of IP enforcement. Accordingly, we have been lobbying the government to grant special judicial police authority to our enforcement staff. That authority would give them full investigative rights and the right to search and seize. We held numerous meetings with relevant institutions, such as the Ministry of Justice, and, on April 21, 2010, the National Assembly finally passed the relevant bill, which will take effect in the latter half of 2010. We will now be able to crackdown on counterfeit goods in a prompt, efficient, and effective manner.

### Social awareness on IP protection

To create a new culture of IP protection, we encourage bloggers to write reports about online counterfeiting and we collaborate with consumer groups in urging consumers to buy genuine goods.

I Joint promotion with consumer groups  
I Leadership training on anticounterfeiting



We have also been conducting public awareness campaigns on the unlawfulness and harmful consequences of counterfeit goods. Our recent PR activities include portal site banners and quiz events, as well as public announcements on various media such as network and cable television, electronic displays, and railway broadcasting. We also produce educational material for teenagers to enhance their awareness of IP protection.

I Public announcement on television  
I Education material for teenagers



### Advanced infrastructure for IP protection

In January 2009, we established the Korea Intellectual Property Protection Association as a means of protecting domestic and international IPRs. The association is expanding its enforcement personnel and extending the scope of its crackdowns. In addition, we have been holding joint seminars with international business organizations. The purpose of the seminars was to discuss the difficulties of protecting IPRs and to create an investment-friendly environment in terms of IP protection.

# Overseas IP protection system

## IP Desks

According to 27.6% of SMEs with interests in overseas markets, the major obstacle in dealing with overseas IPR infringements is the difficulty of collecting information about particular infringements. Other obstacles include insufficient personnel and budget (26.8%) and difficulties in hiring local legal advisers (24.5%). To address these issues, we initially collaborated with the Ministry of Knowledge Economy in setting up a number of IP Desks in 2006 to help SMEs secure and protect their IPRs; later we assumed full responsibility for the desks so that we could improve the efficiency and effectiveness of IP projects. In July 2009, we set up an IP Desk in Shenyang, China. The IP Desks offer SMEs comprehensive IP services.

### IP Desk services

Services	Descriptions
Local application	Support for local trademark application and registration fees (70%)
Investigation of infringements	Investigation of infringements in China through consulting companies (that specialize in anticounterfeiting) at the request of infringed companies
Legal advice	One-to-one legal advice through a pool of local IPR infringement experts
Information service	Provision of presentations or mailing service for SMEs on the status of IPR infringements, IP systems, infringement countermeasures, and policy trends

Our IPR protection measures for 2010 include studies on IPRs, IPR education, and public awareness programs. For these measures, we rely on the IP protection infrastructure, which includes IP Desks and overseas patent offices. We also offer support for trademark applications and help protect existing IPRs.

## Information on the IP laws of other countries

Although each country has laws and systems for the protection of IPRs, SMEs often have difficulty obtaining information on a particular country. To address this problem, we publish an annual handbook on the IP systems of major countries. The 2009 handbook includes information on the latest system changes and relevant information of the US, China, Japan, Thailand, Vietnam, and Germany.

## IP activities for people who are socio-economically disadvantaged

### Invention education for underprivileged youth

In December 2009, we initiated a program called Sharing Invention Education. We visited 14 orphanages and various remote or socio-economically disadvantaged areas to help underprivileged youth benefit from invention education. Designed to foster creativity, the program included hands-on invention education involving activities such as making air rockets, robot arms, and model hybrid cars. At the conclusion of program, we donated 70 books on invention and a variety of tools for improving creativity. A number of our high-level officials volunteered to visit the participants at various venues around the country.

In 2010, we plan to hold 40 similar invention education events as well as a number of invention camps for children from remote areas who have already participated in these programs.

I KIPO Invention camp for children from Heuksan Island



#### Outline of the Sharing Invention Education program for 2010

Program	Target group	Date	Description
Sharing Invention Education (with KIPO volunteers)	Forty child welfare centers around the nation	May to Dec. 2010	A one-day program for age-appropriate improvement in creativity
Sharing Invention Camps	For children with previous experience of the Sharing Invention Education program	Regular camp: four times a year; Special camp: twice a year	Camps of 2-4 days with opportunities for invention experience; designed to help children create inventions
Sharing Invention Experience	200 students in child welfare centers in Daejeon	March to Dec. 2010	Five-step regular program: theory, experience, and practice

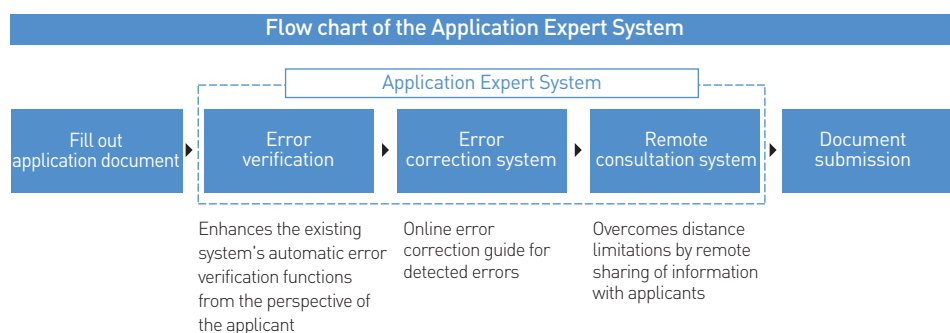


### Application Expert System

We established the Application Expert System in January 2009 to help individual applicants and socio-economically disadvantaged applicants who handle the application process without assistance from agents. These groups generally have a relatively high error rate in their applications and consequently have difficulty acquiring IPRs. The Application Expert System guides applicants through each step of the application process. That means they can easily and accurately file patent or trademark applications.

The following features of the Application Expert System help prevent errors in the application stage:

- a stronger error verification function in the electronic application system (27 verification items)
- 160 error verification sentences written in a colloquial style
- a link to a patent customer center (for remote consultations on patent applications)
- a customized error correction system



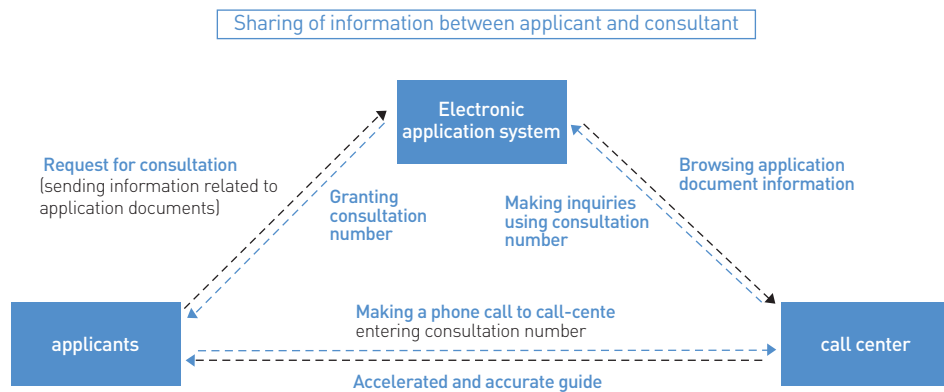


One of the highlights of the Application Expert System is its remote consultation service. A professional consultant from a patent customer center helps the applicant understand how to fill out application documents. There are often many errors in this step; it is one of the hardest aspects of the patent application process. But with the new system, the consultant can remotely view the information on the applicant's screen, such as the error information and application history. Thus, the problems can be easily solved without the delays of the old system.

In 2009, there were 1598 remote consultations and the error rate for applicants who apply for a patent without an agent fell by 33.5% (that is, from 2.1% to 1.47%). Applicants who used the Application Expert System were surveyed in October 2009. The results of the survey confirm the popularity of the system: 376 of the 457 respondents (or 82.3%) said they were more than satisfied with the system.

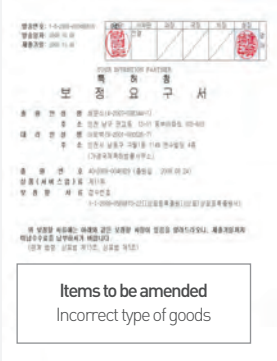
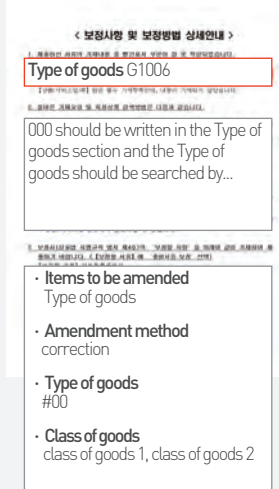
Another feature of the Application Expert System is the customized error correction system. It helps applicants diagnose and correct errors themselves. When an application error is detected, error correction guidelines automatically appear on screen. They tell the applicant how to correct errors in the application or which type of information is needed; they also explain the relevant laws and give clear examples. As a result, the applicant can easily fill out and submit accurate application documents.

The remote consultation system for patent applications



### Help with paper-based applications

The notion of assisting those who file an application without the help of an agent was extended in August 2009 to paper-based applications. Whenever a KIPO examiner detects an error in a paper-based application form, the examiner highlights the erroneous section in red and returns the form to the applicant with a detailed explanation of how the form can be filled out correctly. This service has significantly improved the convenience of paper-based applicants.

Before	After
 <p><b>Items to be amended</b> Incorrect type of goods</p> <p>▼</p> <p>Difficult to correct errors because the explanation was too simple and hard to understand</p>	 <p>◀ Error was marked in a red box</p> <p>◀ Detailed explanation and verification guide for errors</p> <p>◀ The system provides appropriate examples to help customers fill out the application forms correctly.</p>