

Customer-Friendly

Establishing Intellectual Property Services

In response to our applicants' need for an accelerated examination process, we have been committed to establishing a shortened pendency period for examinations. We have also provided a system where applicants may obtain examination services and trials as requested according to their patent strategy. Our long efforts to promote various institutions and policies targeted at the highly advanced examination system have already produced visible improvements in the quality of examinations, as displayed by several indicators. To provide such speedy and accurate examinations and trials, we conducted a full amendment to the Patent Examination Guidelines in 2010, eight years since the previous revision, and now continue to develop the 3rd generation KIPOnet, an upgraded automation system for the management of on-line filing and examination, which is named 'G-KIPOnet'.



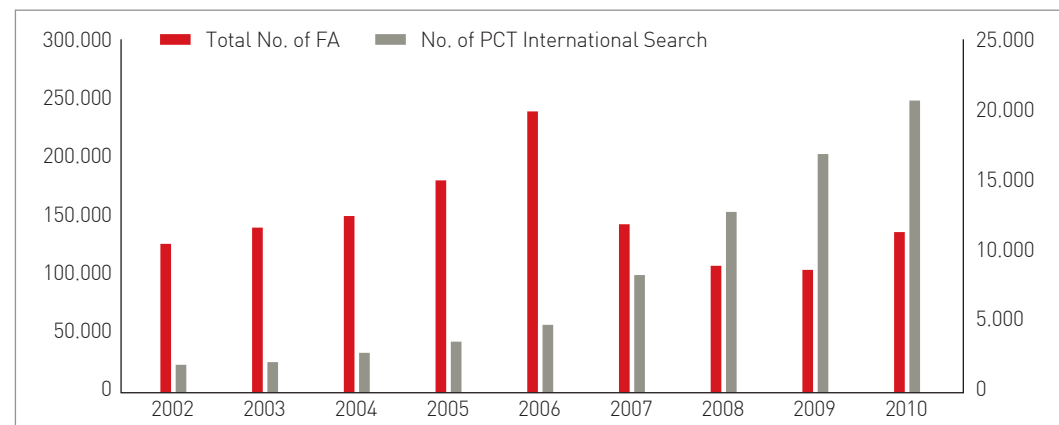
Fast and accurate examination and trial services

1. Keeping examination pendency periods competitive

Examination pendency periods

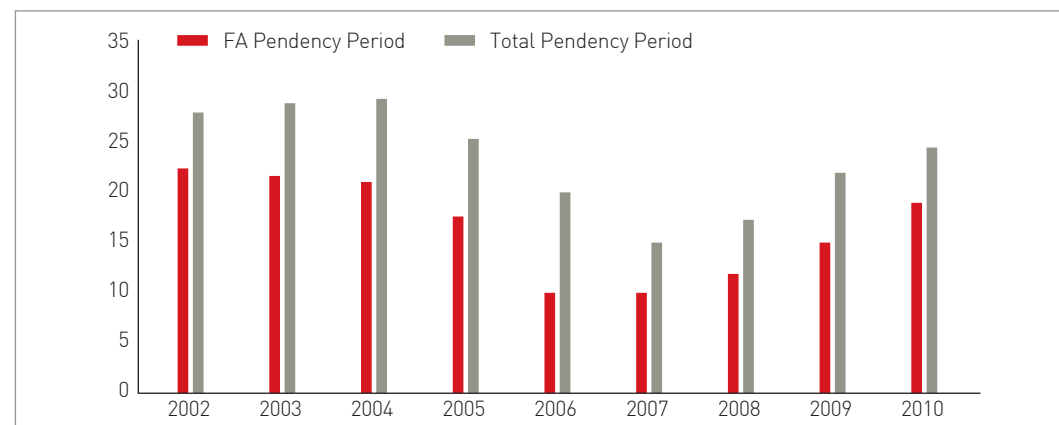
In 2010, the average first action pendency periods for patent/utility-models, trademark, and industrial design applications were 18.5, 10.6, and 10 months. In order to stay competitive, we will shorten the pendency periods for patent/utility-models to 16.8 months, and trademark and industrial designs to 10 months respectively in 2011. Since the number of applications for various rights is increasing along with the requests for PCT international searches, we aim to accelerate the period for examinations and trials by adjusting the workload of examiner for each type of right. We will strive to further our efforts at increasing examiners and enhancing our systems.

NUMBER OF PATENT/UTILITY-MODEL EXAMINATIONS AND PCT INTERNATIONAL SEARCHES



PATENT/UTILITY MODEL EXAMINATION PENDENCY PERIOD

(unit : month)



Increasing examiners

In order to maintain the pendency period for examination, we have recruited 69 examiners in 2010, bringing the total to 712 patent/utility-model examiners and 131 trademark/design examiners. We plan to recruit a total of 301 new examiners, who are experts in the areas of technology, trademark, and design, by 2015.

Increase in outsourcing prior art searches

In 2010, we entrusted independent professional institutions with prior art searches for 64,484 cases of patent/utility-model application (representing 46.7% of the total number of examinations), exceeding the previous year by 4,702 cases. The results helped contribute to the overall acceleration of the examination process. We plan to outsource prior art searches for 81,500 cases of patent/utility-model application in 2011.

Enhancing examination efficiency through improvements in the prior art search system

Our current search system enables users to search domestic and overseas prior art quickly and with great accuracy. To ensure the quality control of patent technology data procured from foreign institutions, we are running a separate organization solely committed to data quality control. In addition, data imported from outer sources is filtered through our refinement database, built to reinforce preliminary inspection, regularization, and processing of data errors, before being loaded into the database. Furthermore, in 2010 the 'Directive to Comply with KIPO Database Standard' was established as a means to control the quality of search data and complies with the data standards set up for developing information systems.



2. Constructing infrastructure for examinations

Preparing patent examination standards at the global level

In order to keep pace in an era of international cooperation where examination results are exchanged and utilized, we have been consistently upgrading our examination standards. Based on comparative research of the examination standards and practices by five advanced intellectual property offices (Korea, the US, Europe, Japan, and China), we amended approximately 39% of the total examination standards. We also made full-scale amendments to the examination guidelines, eight years after last amendment, including revisions of the table of contents and description formats. Furthermore, in an effort to construct an examination system suitable for international use, we have provided foreign applicants and agents with translated patent examination standards. The amended patent examination standards and English version are available on the KIPO website at www.kipo.go.kr.

IMPROVEMENTS TO OUR PATENT EXAMINATION GUIDELINES

Before	Quality Improvement	After	
<ul style="list-style-type: none"> Lacking in clear and specific instruction regarding major countries <ul style="list-style-type: none"> Inadequate standard to prevent ex post irregularity Inadequate supplementary measure to enhance utilization Examination guidelines amended only by experts in a closed chamber <ul style="list-style-type: none"> lacking in reflecting customer feedback Paper-based examination guideline in a booklet <ul style="list-style-type: none"> no record of amendment history, online inconvenience 	Specification and clarification Use of references for greater accuracy	<ul style="list-style-type: none"> To deal with scope of claim, to clarify the requirements of inventive step by encouraging examiners to consider secondary factors To provide examiners with diverse references, including guideline examples, general cases studies, and major case studies of the IP5 offices To set up a system of collecting opinions on the revision of patent guidelines: <ul style="list-style-type: none"> a customer opinion Web site a discussion forum and registry of opinions on guidelines To operate non-KIPO advisory board for examination guidelines <ul style="list-style-type: none"> commissioning of patent-majoring professors from each of the IP5 countries To establish an online version of the examination guidelines: <ul style="list-style-type: none"> with a searchable specific guidelines and amendment history To upload an English version of the examination guidelines 	
	Greater customer participation		Participation by customers and non-KIPO experts
	Greater accessibility		Establishment of a customer-friendly Web service

Trademark/Design examination infrastructure

Working to improve the infrastructure for examinations, in 2010 we conducted a detailed classification of services, creating the major categories of wholesale/retail business, repair business, and special processing business, all of which include a wide range of similar businesses. We then proceeded with a gradual refurbishment of the database of service businesses subject to earlier application and earlier registration, concurrently with a reorganization of the international classification scheme of goods and services, NICE 10, to be implemented on January 1, 2012. Our other tasks included training examiners on the international design classification scheme, the Locarno Classification, and publication of the Korean-English collated version. Also, preparation of a design product comparison chart featuring the Locarno Classification and Korean Classification schemes, classification of goods and design items such as figurative marks, earlier mark/design searches and analysis, and examination system improvement and support.



Contest of examination and search know-how



The International Intellectual Property Institute (IIPTI)

Reinforcing examiner capabilities

The International Intellectual Property Institute (IIPTI), under KIPO, trains examiners on the intellectual property system and examination practices, using a case study approach tailored for each examiner's career and level. It also operates an online education site (<http://kipo.ipacademy.net>) where examiners can continue studying at any time or place.

Meanwhile, in an attempt to help examiners better understand the technology under rapid changes, we have introduced 78 educational courses on new technology such as IT, BT, and NT in conjunction with top-ranked domestic universities and enterprises. To date, we have trained 732 examiners through these courses. We have also provided overseas training to 105 examiners through 41 courses including training on examiner exchanges between other major patent offices.

3. Quality management system



Indicators of the quality of examinations

The examination error rate for the patent/utility-model sector in 2010 was 1.2%, 0.1% less than 2009. And the examination quality index was 101.2, exceeding the target of 100 by 1.2%. If the examination quality index is 100 or greater, it indicates the examination quality for the relevant year has exceeded the target level.

EXAMINATION QUALITY INDEX

A sum of the rates of achievement calculated as a ratio to the target value, using seven major indicators relating to examination quality. The seven variables are: 1) average score of examination assessment - reflecting examination error rate by means of sampling; 2) result of survey for satisfaction with examination quality; 3) revocation-remand rate of appeal against decision of rejection; 4) rate of examination report prepared; 5) rate of presentation meeting held on amendment to laws and regulations; 6) rate of letter of opinion prepared for submission; and 7) claim reduction rate with respect to decision for registration.

Starting in 2011, the ratio of the examination report prepared, the ratio of the presentation meeting held on amendment to laws and regulations, and the ratio of letter of opinion prepared for submission will be excluded from assessment. The ratio of reasons for rejection accepted, non-response rate for the notice of reasons of the rejection, will be included instead.

Examination assessment by perspective

Based on the results of the examination assessment for each perspective implemented for trial in the 2nd half of 2009, we revised the Grade Table by Assessment Perspective into five examination perspectives: efficiency of procedures, accuracy of interpreting description, substantiality of searches, consistency of reasons for rejection, and customer orientation. Each perspective was then divided into six assessment steps in combination with the existing 6-staged assessment. This was done in an effort to increase accuracy and quality of the mechanism.

Introduction of the FACT Review

Since the 2nd half of 2010, we have implemented an 'assessment of completeness of the first office action (FACT Review)' to raise the examination quality at the commencing stage. The FACT Review includes: 1) compliance with procedures and practices; 2) notification of reasons for rejection en bloc; 3) adequacy of reasons for rejection; and 4) adequacy of the details on the letter of opinion. Examiners receive feedback on the FACT Review every 6 months so that they can endeavor to improve their performance.

We provide examination and trial services customized for customers to select and manage a timeline that suits their own IPR strategy.

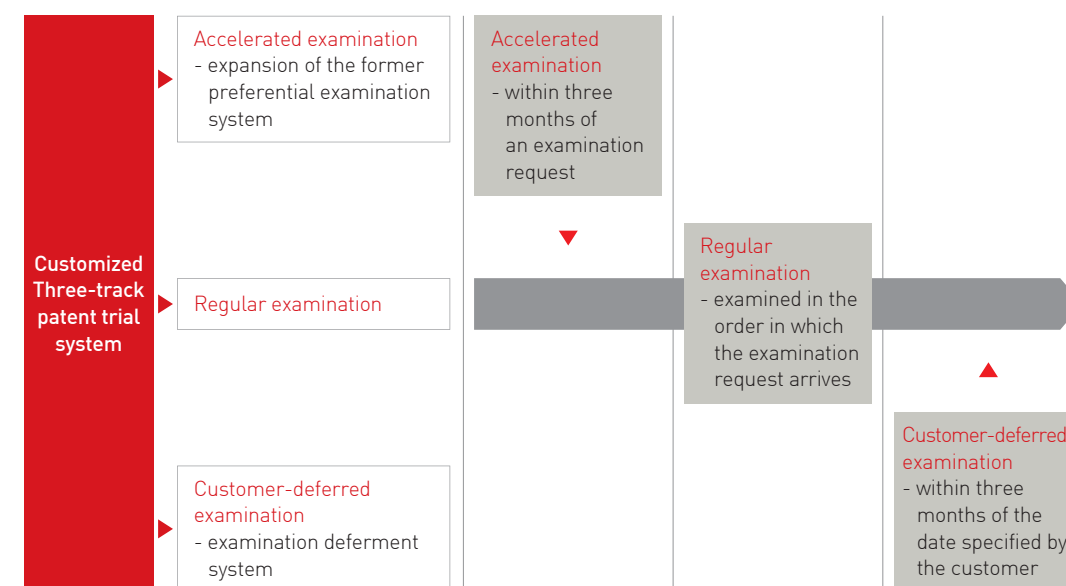
Type of service	IPRs	Track
Examination	Patents and utility models	3 tracks : accelerated, regular, or customer-deferred
	Trademarks and industrial designs	2 tracks : preferential or general
Trial	All rights	3 tracks : super-accelerated, accelerated, regular

1. Establishment of customized patent/utility-model examination services

Customized three-track patent examination system

Our customized three-track patent examination system implemented in October 2008 allows applicants to select an examination track. The choices available to the applicant are accelerated, regular, and customer-deferred examinations. An applicant in pursuit of an exclusive position in the market may choose to acquire patent rights through an accelerated examination. On the other hand, an applicant wishing to procure adequate time for business setup may opt for a deferred examination. If a customer-deferred examination is requested, we extend the payment date for the examination fee until two months prior to the desired deferred day, so as to lighten the burden of patent customers.

OUTLINE OF THE THREE-TRACK PATENT EXAMINATION SYSTEM



Super-accelerated examinations for green technology

The super-accelerated examination for green technology, a system introduced in October 2009, produces examination results sooner than the accelerated examination, or within one month of the request. Eligibility for this process is limited to green technology financially supported or approved by the government or designated in environmental laws. Since April 2010, products generated by various aid policies under the Low-Carbon Green Growth Basic Act have been made eligible for the super-accelerated examination. For green technology patent applications, a decision may be made within one month in some expedited cases, if the super-accelerated examination is of no avail. With the super-accelerated examination, we hope to promote the research, development, and utilization of green technology in regard to growing environmental concerns.

In 2010, as the customized examination system began to stabilize, 20,832 cases of preferred examination, 953 cases of examination deferment, and 229 cases of super-accelerated examination were applied for. It is evident that there is much demand for this system by applicants who wish to select the process timeline for their own patent strategy.

CUSTOMIZED PATENT/UTILITY-MODEL EXAMINATION SERVICE

	2008	2009	2010
Preferred examination	16,198	20,317	20,832
Deferred examination	858	1,698	953
Green technology super-accelerated examination	-	52	229
General examination	142,468	126,224	134,878
Total	159,524	148,291	156,892

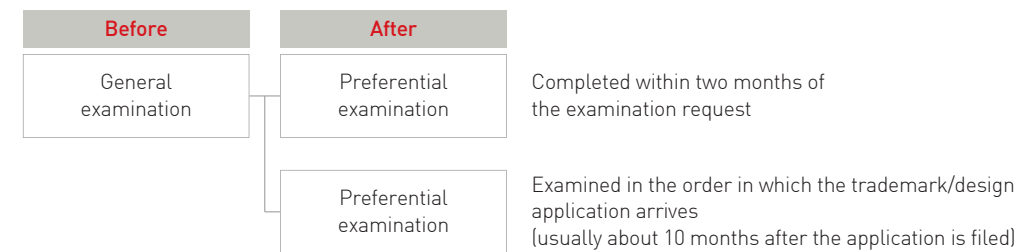


2. Two-track trademark/design examination system

The preferential examination system for trademarks and industrial designs

In favor of those applicants requiring earlier utilization of trademark or design rights, we have been running a two-track examination system since April 2009. Applicants can choose one of two tracks: a general examination that is conducted on a first come, first served basis and a preferred examination which gives priority over a general examination.

OUTLINE OF THE TRADEMARK/DESIGN PREFERENTIAL EXAMINATION SYSTEM



Now applicants can obtain the results of the first examination within two months from filing, making this system especially beneficial for those who wish to promote their business early or resolve a dispute after filing.

In 2010, the 2nd year from the launch of the system, there were 1,697 applications for trademark preferred examinations (1.4% of the total applications), double the previous year's applications, and 4,063 applications for design preferred examinations (7.1% of the total applications).

TRADEMARK/DESIGN PREFERRED EXAMINATION RECORD

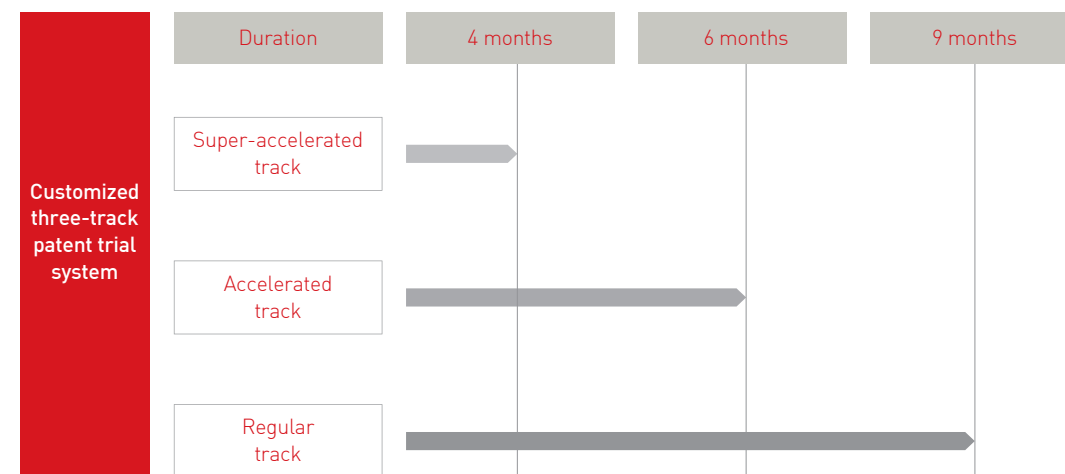
Classification	Trademark		Design	
	2009	2010	2009	2010
Number of applications filed [A]	95,747	121,313	57,700	57,228
Preferred examination application filed [B]	653	1,697	4,468	4,063
Ratio of preferred examination application filed [B/A]	0.7%	1.4%	7.7%	7.1%

3. Customer-tailored three-track patent trial process implemented

Customized three-track patent trial process

In the past, our preferred trial system allowed certain cases to take preference over general cases. In November 2008; however, we adopted a three-track trial system by adding a super-accelerated trial to the regular and accelerated trials. With a super-accelerated trial, both parties file an application and oral hearings are held within one month from the expiry of the answer-submitting period; in standard procedure, a final trial decision is granted within two months of the oral hearing. Both parties receive a final decision within four months of requesting the trial. Processing times for the accelerated trial and regular trial are six and nine months respectively.

OUTLINE OF THE CUSTOMIZED PATENT TRIAL SYSTEM



At the time super-accelerated trials were introduced, eligibility was given to the trials pertaining to the confirmation of the scope of patent rights and cases where the court had been notified that an infringement lawsuit was in progress. However, in October 2009, we extended the eligibility to trials against the decision of refusal for environment-concerned green technology applications. In April 2010, we further extended eligibility to applicants in the process of appealing a decision of invalidity at a patent court. These changes demonstrate our efforts to grant more customers with the opportunity to benefit from super-accelerated trials.

Patent/Utility-model sector

We are working to amend the Patent Act to reflect the key points of the Patent Law Treaty (PLT) and in support of the cause 'For the Reader-Friendly Law'. Utilizing our task force for institutional improvement and open forum discussions, we made an amendment bill proposal, which will be introduced to the National Assembly in 2011.

MAJOR CONTENTS OF PLT

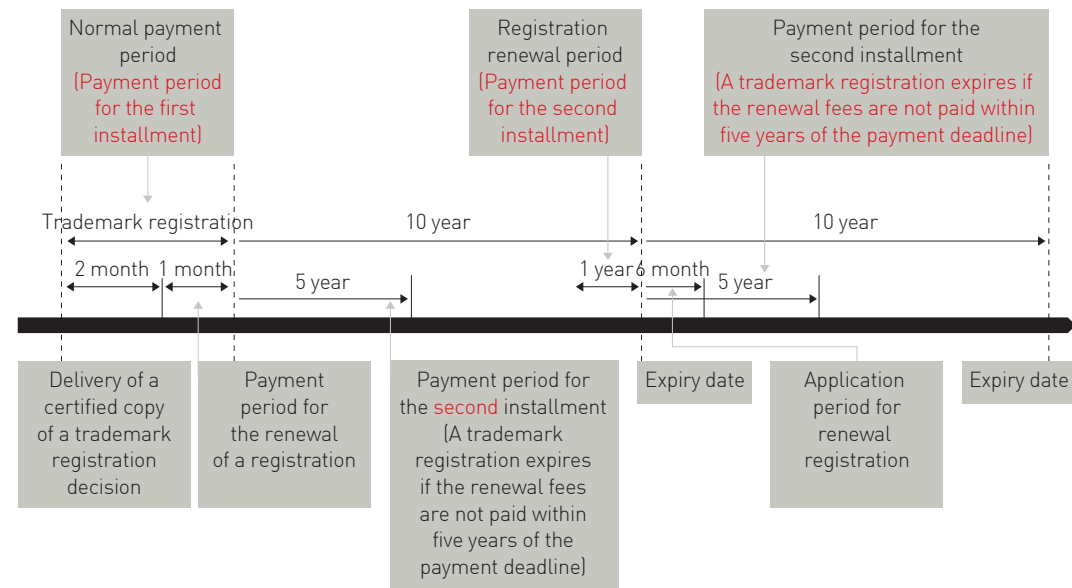
Classification	Contents after amendment
Acceptance of application	Form of application is liberalized. Application by treatise or in a foreign language is accepted.
Reinstatement of right	A system is introduced to recover rights extinguished due to failure to meet timeline.
Representation	Requirements are relaxed so that non-residents may apply without a domestic agent.
Priority claim	More chances to revise, supplement, or restore claim for right of priority.

As of July 2009, we further promoted customer convenience in connection with the patent/utility model, by introducing the easing of prerequisites for limitations on corrections, applications for retrial, examiner's ex officio amendments, and differentiated extra payment by grade. Corrections in which the pre-amendment Patent Act did not approve of a way to reduce the scope of patent claims after the final notification of grounds for refusal are now permitted. In addition, the system of applications for retrial and examiner's ex officio corrections of simple omission of information has contributed to simplifying the patent examination process. The financial burden of patent fees has also become reasonable through the application of additional payment schemes after the payment period expires.

Trademark sector

We converted the renewal registration period from an examination-based system to a much simpler application-based system. Starting in July 2010, trademark rights holders can expeditiously renew their trademark right for 10 years by simply submitting an application, saving renewal and agent fees. In addition, customers may now pay the trademark registration fee in two installments rather than one lump sum as was previously required.

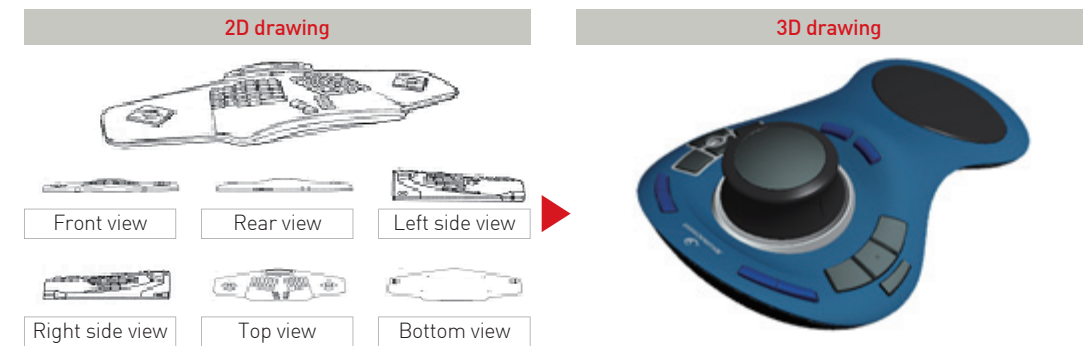
PAYMENT OF TRADEMARK REGISTRATION FEES BY INSTALLMENT



Design sector

3-D drawing is indispensable for product development. On January 1, 2010, for the first time in the world, we implemented a 3-D drawing application system allowing 3-D drawings in the industrial design application. There were 786 applications for industrial designs using 3-D drawings, which represented 1.4% of the total applications. 98.6% of these were applications from small-and-medium-sized enterprises. According to relevant research, the savings in cost resulted in about 200 million won. Initial Graphics Exchange Specification (IGES), a file format most widely used in the industry, is included in the file formats eligible for application on and after April 1, 2011, allowing 90% or more of 3-D programs adopted on the industry sites to become supportable. As one of the newly-added application modes, video files may be submitted as a reference view with applications for mobile picture icon design.

COMPARISON OF 2-D AND 3-D ILLUSTRATIONS



IP information system

KIPO office automation system (KIPOnet)

January of 1999 witnessed the successful launch of the KIPOnet system, an internet-based e-filing and work processing system. The KIPOnet system has computerized the application procedures for patents, utility models, trademarks, and designs, more specifically, for filing, receiving, examination, registration, and trial procedures. In 2006, the upgraded version of the system, 'KIPOnet II' was launched, featuring a 24 hour non-stop customer support service, an online e-filing service for PCT international applications, and an online work-at-home system. This advanced system further included the 'My-KIPOnet' service, which was implemented for the public disclosure of work processing information according to related administrative procedures. All these developments have brought the constant increase of the e-filing ratio, consequently reaching 95.5% of total applications in 2010.

E-FILING RATIO SINCE THE LAUNCH OF KIPONET II

Year	2005	2006	2007	2008	2009	2010
e-filing ratio (%)	90.8	92.2	93.1	94.0	94.3	95.5

3rd generation KIPOnet

Meanwhile, to improve convenience and provide advanced services, we have been constantly rebuilding the KIPOnet system. In 2009, we initiated the development of the 3rd generation KIPOnet, the 'G-KIPOnet'. The G-KIPOnet will support our future joining of the Patent Law Treaty and the Hague Agreement. In principle, it will allow applicants to file their patent applications by non-traditional means such as using research memos or invention notes and to file applications for international designs. Ultimately, it aims to implement smart business environments for application and examination and will be launched in 2012.

From a technical perspective, the G-KIPOnet will be designed to execute 24 hour examination services through a server-based computing environment based on virtual desktop technologies. In addition, it will enable automatic searches of prior arts that are similar to target applications

for examination. It will also include diverse functions for examination convenience including interpretation of drawings by linking the titles and drawing symbols in an application.

Knowledge Oasis

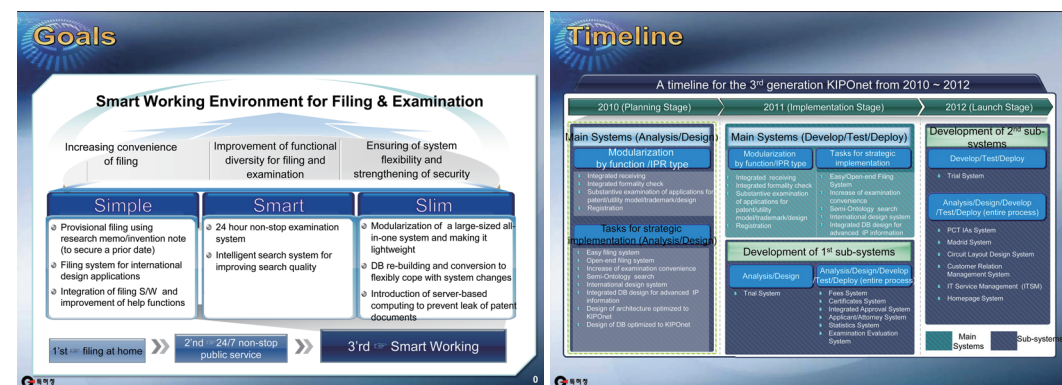
The Knowledge Oasis (KOASIS) system was launched in September 2001. This system has since expanded from its original function of merely storing knowledge, to an organizational knowledge portal allowing different parties to access information over the course of the project. It organically links numerous information systems such as examination, trial, search, and work management. In addition, the system was built to revitalize information sharing with external entities beyond internal information exchange. Intellectual property information is now easily searchable through private portal sites, instead of being limited to internal sharing. As of 2010, nineteen research institutes, including the Electronics and Telecommunications Research Institute, have real-time access to information on industrial property laws, systems, and examinations and trials using our knowledge-based management system.

MAJOR FUNCTIONS OF KOASIS

Items	Contents
Knowledge registration	Work-related knowledge such as know-how, output, reference sources / Knowledge Q&A, Wiki-knowledge
Knowledge search	Search by category utilizing knowledge map / Integrated search using keyword and tag
Knowledge verification	Approval of registered knowledge / Knowledge assessment / Category transfer of knowledge / Revision or deletion of knowledge
Mileage management	Mileage granting based on knowledge activity and record maintenance by individual or management division
Community	Organizing online communities such as bureau-division information site and internet café / Message board and member management for each community
System maintenance	Management of knowledge map, message board, community, knowledge experts / Utilization of statistics and monitoring

Fortifying information protection

In an effort to fortify information protection, we have launched various security systems and programs. By 2009, we had established a round-the-clock security control center as well as CERT (Computer Emergency Response Team) to upgrade information protection. In 2010, we established a five-stage process to prevent accidental disclosure of personal information or significant information leakage in the occasion where the initial response is inadequate. Along with this, we conducted a personal information influence assessment for businesses targeting the project of analyzing and designing KIPOnet toward the 3rd Generation KIPOnet, which led to further improvement of our personal information protection system.



3rd generation KIPOnet system