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Providing IP Services

KIPO's examination and trial services are based on customized intellectual property right (IPR) strategies. We also strive to reduce examination pendency so as to provide expedited protection of IPRs and innovations. In 2013, our average first action pendency for patents and utility models was reduced to 13.2 months.

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Accuracy

Examination Services

01

KIPO's organizational restructuring

On September 9, 2013, we carried out the largest organizational restructuring in our history for effectively accommodating fusion technologies, enhancing IP protection, and providing better public access to IP information.

Patent examination, our primary area of expertise, now places a greater focus on fusion technologies, allowing us to take advantage of the latest trends in cutting-edge technology. The Patent Examination Policy Bureau was established to efficiently handle fusion technologies and develop examination policies. Examination on technologies related to Korean industries (both primary and emerging) was also reorganized into various technological fields within Patent Examination Bureaus 1, 2, and 3.

Additionally, the International Cooperation and Customer Support Bureau was restructured with the Intellectual Property Protection & International Cooperation Bureau to enhance IPR enforcement and promote appreciation and respect for creative endeavors. On another front, the newly established Intellectual Property Investigation Division is now fully responsible for cracking down on counterfeit goods.

The Information Policy Bureau was

restructured with the Information and Customer Support Bureau to improve upon a wide range of customer services, including applications and registrations submitted through KIPOnet, our information system. The Information Utilization Division was established to distribute IP information and lay a foundation for developing the IP information service industry (both mid- and long-term) to grant more efficient public access.

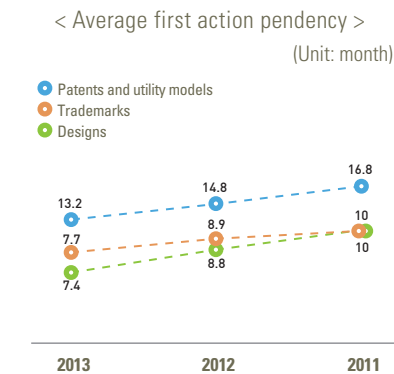
02

Reducing examination pendency

Early acquisition of IPRs is of equal importance to examination quality. Therefore, we are currently focused on improving both. That is, we set targets for the pendency of patents, utility models, trademarks, and designs at the start of each year and undertook various measures to reach those targets.

Average first action pendency for 2013 was 13.2 months for patents and utility models, 7.7 months for trademarks, and 7.4 months for designs. Compared with 2012, pendency was reduced by 1.6 months for patents and utility models, 1.2 months for trademarks, and 1.4 months for designs. Our 2014 target goals are 11.7 months for patents and utility models and 6.5

months for trademarks and designs. Since IPR applications and requests for international searches under the Patent Cooperation Treaty (PCT) are steadily increasing, we are in the process of recruiting additional examiners.



Outsourcing prior art searches

Last year, we outsourced prior art searches for 91,941 patent and utility model applications (47.4% of all applications), an increase of 7,711 applications over the previous year. In addition, we outsourced prior trademark searches for 50,010 trademark applications (27.2% of all applications) and prior design searches for 20,120 design applications (30.2% of all applications). The decision to outsource played a significant role in the overall reduction of our examination pendency.

In 2014, we plan to outsource prior art searches for 94,777 patent and utility model applications, as well as

prior trademark searches for 57,942 trademark applications (30.9% of the expected total). We also plan to outsource prior design searches for 21,600 applications (31.7% of the expected total).

Recruiting additional examiners

To reduce first action and examination pendency, we are continuously increasing the number of examiners we have on staff. In 2013, we recruited a total of 28 PhD holders and experts in various technological fields, as well as 2 additional experts in the area of trademark and design—with plans for recruiting more. The number of our examination personnel totaled 732 for patents and utility models, and 160 for trademarks and designs.

03

Raising quality

Managing examination quality through examination review

The use of examination quality control for maintaining fairness and objectivity helps us to offer thoroughly reliable examination results.

Examination review is mainly conducted by the staff of the Examination Quality

Assurance Division, which is directly supervised by the deputy commissioner. It has 12 reviewers for patents, utility models, and the PCT; and 4 reviewers for trademarks and designs.

Bi-annually, we take a sampling of completed examination cases and review them according to prescribed guidelines before providing feedback to the examiner in charge. We also perform tasks related to planning, diagnosis, and analysis in order to improve examination quality. Examination review is ultimately cross-checked by two directors from separate examination divisions.

In 2013, we reviewed examinations of 3,469 patents and utility models, 4,453 trademarks and designs, and 1,932 PCT reports to evaluate the efficiency of the overall examination process, as well as decisions on substantive requirements. As a result, the examination error rate was 1.0% for patents and utility models, 0.2% for trademarks and designs, and 0.8% for the PCT.

In addition to the above, examination review on 2,278 patents and utility models, in addition to 1,348 trademarks and designs, was carried out under the supervision of directors from each examination bureau.

In 2013, we underwent real-time reviews on examination quality and took monthly samples of examinations in order to assure accuracy and provide feedback to each examination bureau.

Community Patent Review

In our Community Patent Review system, patent applications selected by KIPO or requested by applicants are disclosed and posted on a dedicated website (www.k-cpr.or.kr) where the general public can provide related prior art documents and give assessments that will be of great help to patent examiners. We first introduced the system back in 2010, then ran a couple of pilot tests through 2011. As of 2012, the Community Patent Review system has been fully operational. In 2013, a total of 493 assessments were posted on 76 out of the 234 applications subject to review. Examiners took these into account when examining 31 of the applications (about 40% of the total number of 76), significantly contributing to enhanced examination quality.

On-the-job training for examiners and trial judges

In 2013, we created a training system for professionals at various levels and stages of their careers, thereby improving the expertise and capacity of examiners and trial judges. We established a total of 42 training courses, including 4 basic courses, 15 legal courses, 6 practical examination courses, 16 capacity-enhancing courses, a course in new technology for examiners, etc.

Course	Target
New examiners course	Grade 5 new examiners
Mid-level examiners course	Grade 5 examiners with over a year of experience who have completed the course for new examiners
Trial litigation course	Grade 5 examiners with over 3 years of experience who have completed the mid-level examiners course
Trial judge course	Grade 5 examiners with over 4 years of experience who have completed the trial litigation course

Courses offered ranged from basic courses tailored for new examiners to those focused on mid-level examiners, trial litigation experts, and trial judges. Our four-stage training program targets the needs of our staff while taking into account their level of career development. A total of 229 staff members participated in the 4 courses of the program.

In addition, we ran in-depth legal training courses for each career stage, beginning with basic theoretical training on important laws for examination and trials (the Patent Act, Trademark Act, Design Protection Act, and Civil Procedure Code), followed by debates on major issues and cases. We also provided training on civil law, the Unfair Competition Prevention and Trade Secret Protection Act, and the Copyright Act, among others. A total of 611 examiners participated in the 15 courses of the program.

Moreover, in order to enhance the working capacity of our staff, we established 6 courses on examination (i.e. research related to examination cases) and 16 courses on commercializing IPR technology. We also delivered lectures in collaboration with the Korea Advanced Institute of

Science and Technology (KAIST) to provide examiners and trial judges with knowledge and training on cutting-edge convergence technologies. A total of 1,481 staff members attended the 59 lectures.

04

Customized examination services

Three-track patent and utility model examination system

We provide examination services in accordance with our clients' IPR strategies and preferred time schedules. The customized three-track patent and utility model examination system implemented in October of 2008 enables customers to choose the most appropriate examination track for their patent strategy. Customers can choose from accelerated, regular, or customer-deferred examination tracks. Accelerated examination provides examination services within 3 to 5 months and is best suited for applicants in pursuit of immediate or exclusive

market positions. Conversely, the customer-deferred examination track provides examination services within 3 months of the desired postponed examination date (24 months from the date of an examination request, and 5 years from the date of the patent application) and best suits applicants requiring greater preparation time.

As the three-track system stabilized, requests for preferential examination accounted for 14.7% of all examination requests with 25,609 in 2013, a slight increase from 24,066 in 2012. Requests for customer-deferred examination accounted for 0.085% of the total with 149, showing a slight decrease from 186 in 2012 (0.116%).

Meanwhile, since the introduction of the super-accelerated examination system for green technologies in October 2009, we have provided even faster examination results (within 1 month of request) for newly researched and developed technologies, such as those that reduce greenhouse gases, save energy, or boost energy use efficiency—as specified in the national strategy for “low carbon, green growth.” Requests for super-accelerated examination on green technology totaled 165 in 2013, a decrease from 220 in 2012.

Collective and preliminary examination systems

In December 2013, we established a collective examination system that allows applicants to request mass

< The number of three-track examination requests >

Category	2008	2009	2010	2011	2012	2013
Requests for accelerated examination	16,198	20,317	20,896	22,249	24,066	25,609
Requests for super-accelerated examination of green technology	-	52	230	196	220	165
Requests for regular examination	142,468	126,276	134,128	138,202	136,132	148,305
Requests for deferred examination	858	1,698	946	153	186	149
Total requests for examination	159,524	148,291	155,970	160,604	160,384	174,063

examination on multiple patents, as well as expedite utility model applications for a single product or a complex convergence technology. The system requires applicants to give advance explanation of the technologies pertaining to their patent application, thereby enabling precise and simultaneous examination of multiple patents and allowing companies to create IPR portfolios timed to the launch of new products.

Starting April 2014, we plan to expand the collective examination system to include trademarks and designs in order to better support companies in building comprehensive IPR portfolios.

In January 2014, we launched a pilot program that allows applicants to personally explain their inventions to examiners before examination. This preliminary examination procedure will allow applicants to revise the scope of patent application claims before

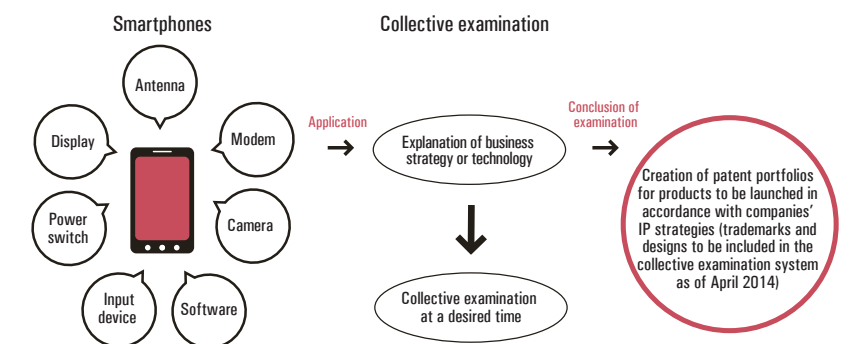
actual examination, thereby increasing their chances for the early acquisition of patent rights. This preliminary examination procedure also benefits examiners by allowing for greater precision in their work, and it reflects our goal of improved communication between government agencies and the general public.

The pilot program for preliminary examination will most likely be limited to applications for expanded

preferential examination¹ in cases where preliminary examination is requested by the applicant. The pilot program gives us a chance to evaluate the overall usefulness of the program and determine whether to expand the technological fields of applications available for preliminary examination.

Expedited examination for trademarks and designs

To accommodate applicants in need of expedited trademark or design rights, we started a two-track examination system in April of 2009. Applicants requesting expedited examination can receive first examination results within 45 days of applying for trademarks, and within 2 months for designs, thereby allowing them to more rapidly commence with business activities or resolve disputes. There were 3,430 requests (2.2% of all



¹ Applications for which there has been a request to a specialist institution designated by the KIPO commissioner for a prior art search and for which the search results are to be reported to the commissioner

Trial Services

< Status of the expedited examination system for trademarks and designs >

Category	Trademarks			Designs		
	2011	2012	2013	2011	2012	2013
Applications (A)	146,065	132,611	159,127	56,540	63,152	66,940
Requests for expedited examination (B)	2,389	2,899	3,430	4,021	3,766	3,792
Requests for expedited examination as a percentage of total (B/A)	1.6%	2.2%	2.2%	7.1%	6.0%	5.7%

applications) for expedited examination of trademarks in 2013, an increase from 2012. For designs, 3,792 requests for expedited examination (5.7% of all applications) were filed.

environment and increased customer demand, the IP Tribunal is taking steps to reduce trial pendency by drawing up plans and policies that will allow us to provide trials within 6 months by the year 2016. Last year, our target processing time for trials was 9 months so as to enhance the tribunal's leading role in resolving IP disputes. Despite limited trial resources, we reduced trial pendency by 0.5 months year-on-year (from 9.0 to 8.5) and are now capable of providing faster trial results for those subject to patent disputes.

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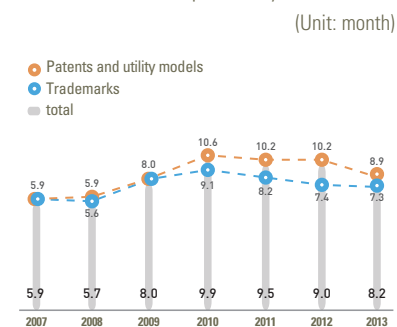
Reducing the trial pendency



With the recent surge in IPR disputes, IP5 countries are taking various measures to reduce trial pendency and solve IPR disputes as quickly as possible. The number of litigations for IPR infringement brought to Korean civil courts is also rapidly increasing. In response to these changes in the IP



< Trial pendency >



02

Customized three-track patent trial service

The IP Tribunal oversees three-track (super-accelerated, accelerated, and regular) trial examination to processes patent disputes more efficiently. For super-accelerated trials, an oral hearing is held within 1 month of the expiry of the period for answer submission, and trial decisions are made within 2 months of the oral hearing. Parties involved receive a final decision within 4 months



Improving the IP System

01

Patents and utility models

Amending the Patent Act and the Utility Model Act

In 2013, we amended the Patent Act and the Utility Model Act so as to provide greater opportunity for renewing extinguished patent applications or rights and making applications more expedient. The amendments were also aimed at strengthening the protection of patent applicants' rights and expanding the availability of refunds for patent fees (effective as of July 1, 2013).

We also amended the Patent Act and Utility Model Act to allow for an application date to be clearly acknowledged even if a claim has not yet been submitted. This will provide applicants means for more quickly acquiring an application date. Applicants will also be allowed to submit applications with specifications in foreign languages through the

of the trial request. Processing times for both accelerated and regular trial cases are 6 and 9 months, respectively.

Accelerated trials occur in the following scenarios: invalidation trials or trials to determine the scope of a right in pending infringement litigations; invalidation trials or trials to determine the scope of a right in unfair competition and trade cases referred by the Trade Commission; cases for which both parties have submitted an agreement for accelerated trial; invalidation trials for non-entitled patents; and appeals of examiner refusals to grant super-accelerated examination for patent applications directly related to green technology.

< The number of requests for super-accelerated, accelerated, and regular trials in 2013 >

Requests made in 2013	Trademarks and designs	Patents and utility models	Total
Super-accelerated trials	12	78	90
Accelerated trials	334	715	1,049
Regular trials	4,221	7,653	11,874
Total	4,567	8,446	13,013

introduction of foreign language patent applications (target enforcement date: January 2015).

Amending examination standards under a unified guideline

Last year, after restructuring its examination service to take advantage of convergence technologies, we amended our examination guidelines by assimilating examination standards for separate technological fields. We are now pursuing individualized amendments to examination standards within such fields as computer programs and architectural designs.

02

Trademarks and designs

Amendments to the Trademark Act

In 2013, we made holistic amendments to the Trademark Act for the first time in 23 years. Regulations included measures to stop the unjust registration and exercise of trademark rights (such as preventing the acquisition of rights in violation of the principle of good faith), solve the problem of the prior application principle, and crack down on trademark brokers. For better convenience, we also made it possible for examiners to

correct minor errors made by applicants and extended the period of redress from 14 days to 2 months in cases where certain procedures were missed due to unavoidable circumstances. Furthermore, amendments were made to enhance understanding among the general public. The amended Trademark Act is expected to come into force on July 1, 2015.



Amendments to the Design Protection Act

The design creativity requirements have been raised in order to allow examiners to reject applications for designs that mimic well-known forms or shapes. We also amended the Design Protection Act so as to maximize convenience for applicants by enabling them to apply for as many as 100 designs in a multiple design application. We also improved the Act so that applicants may submit documentation of claims for exception to lack of novelty at the same time they submit applications, opinions, oppositions, and requests for invalidation trials. Furthermore, we regulated special cases and procedures for enforcing the Hague Agreement Concerning the International

Registration of Industrial Designs in Korea and introduced an international system for classification (to come into force on July 1, 2014).

Amendments to trademark and design examination standards

We revised our examination standards in 2013 so that examiners may now reject trademarks that are highly likely to disturb market order by mimicking famous trademarks, or that are filed to acquire rights to valuable preexisting trademarks. Our examiners now investigate similarities in prior use trademarks, both in Korea and abroad, in order to achieve more comprehensive results. Examiners are also now considered ex-officio amenders of typos and obvious mistakes in submitted applications, thus allowing for enhanced applicant convenience and more rapid examination.

We also expanded the scope of protection to cover such computer-generated images as screen savers, websites, icons, and Graphic User Interfaces that are applied to digital devices like smart phones, TVs, computers, etc.

In doing this, it has now become possible to acquire a wide range of design rights by simply submitting a single application indicating the name of the newly designed product—such as "display panel" or "LCD panel"—without the need for plural designations.

IP Office Automation System

01

KIPOnet III system

In 1999, we launched KIPOnet, an internet-based e-filing and work processing platform for the filing, receipt, examination, registration, trial, and publication of applications for patents, utility models, and trademark and design rights. Continual improvements to this system have led to a third generation version called KIPOnet III.

Work on KIPOnet III commenced in 2009 with the goal of fostering an environment for smart application and examination. The new platform was launched in January 2012 and completed in June 2013. In 2012, we developed strategies for PCT, trials, and international trademarks (Madrid). New additions include a server-based cloud (SBC) platform to enhance security. In 2013, we fully implemented an official certificate system to prevent identity theft, expanded our automatic payment banking options, and simplified the process for issuing certifying documents to make them instantly issuable upon request. In addition, fees can now be paid in foreign currencies—a first for any Korean governmental institution—and the application fee for the PCT is now payable in Swiss francs (CHF).

02

Augmenting IP resources

We have continuously striven to maximize usage of e-resources and augment KIPOnet services. In order to speed up searches, we transferred frequently-used indexes and blueprints onto a high performance solid state drive (SSD) for professional image clarity. The reworking of our system in June 2013 also reallocated e-resources to upgrade the performance of KIPOnet III.

Additionally, we transferred our specialized PCT outsourcing platform to a separate server due to the continual expansion of outsourcing for PCT international searches. This allows us to build an information environment for providing dependable service.

03

Reinforcing information protection

We continuously build and operate diverse management and security procedures for safeguarding valuable information, such as undisclosed patent documents, from cyber-attacks. In 2009, we separated our working and

administrative networks according to newly introduced national guidelines for information security. Cloud computing was introduced in 2012, providing a centralized database for the saving and processing of all working documents, thereby reducing potential leakage of sensitive IP information.

In 2013, we tightened control over the transmission of documents between the web and cloud systems. For better overall security, we tightened our informational security throughout our subsidiary organizations and outsourcing companies. In addition to network and computer security, we plan to continue improving the security environments of our associates in an effort to ensure we remain well-prepared to deal with potential cyber-attacks and information leakage.

04

Korea IPRs Information Service (KIPRIS)

KIPRIS (www.kipris.or.kr) is a free online search service we provide to industry, universities, research institutes, and the general public so that they can conveniently browse IPR information, both international and domestic (i.e. full text data, bibliography, abstract, and legal status) from 12 international IP offices, and trademark information from 5 international offices.

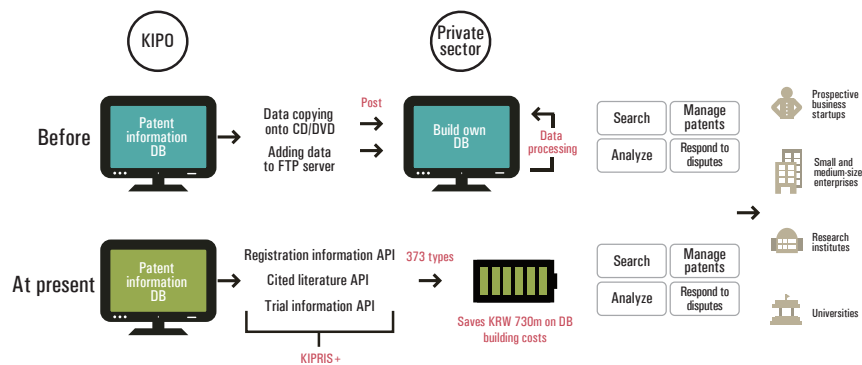
Under "Government 3.0," a key information strategy of the Korean government, we plan to gradually upload IP content—such as foreign designs, award-winning achievements at idea contests, and information regarding IP disputes—to KIPRIS for public access. We are also pursuing a diverse range of activities for publicizing and promoting IP information usage among the Korean citizenry. We now also provide first-time KIPRIS users with a Beginners' Program, in addition to a diverse range of free services, including mechanized translation services, online downloads, "Today KIPRIS" (which provides insight into the current state of data provision, as well as the number of searches for each type of IPR, patent issues, and popular patent searches), "My Patent of Interest," and "Door-to-Door Patent Services." In addition, we provide a mobile app (m.kipris.or.kr) so that people can use KIPRIS anywhere and anytime. We will continue to make improvements for allowing better access to KIPRIS' diverse IP resources.

Enhancing Customer Services

05

Patent Information Web Services (KIPRIS^{Plus})

KIPRIS^{Plus} (<http://plus.kipris.or.kr>) is a portal for open Application Programming Interface (API)-based web services providing real-time patent information from KIPO to organizations that wish to use the information without having to build their own databases. KIPRIS^{Plus} allows companies and research institutes, among other entities, to reduce the amount of cost and time involved with developing patent information databases. Currently, information on industrial property rights—such as patents, designs, and trademarks—is provided through Simple Object Access Protocol (SOAP)-method open APIs (about 370 versions). In 2014, we plan to provide Representational State Transfer (REST)-method open APIs, as well.



01

Improved fee payment system

We established regulations for our new free service (introduced on July 1, 2013) for reissuing patent registrations online. For enhanced customer convenience, we also extended the range of fees (with the exception of reissuance fees) payable via ATM—including annual registration fees and rights registration fees.

To reduce annual registration fees, we amended the Patent Act and the Design Protection Act. Additionally, we amended the Schedule of Fees that was put into force in March 2014. The main amendments are as follows:

① In line with international trends, we raised fees that are closely related to providing patent administration services, such as application and examination request fees, while reducing registration fees by 30% for the 4th to 6th years

to reduce the financial burden on individuals, small and medium-sized enterprises (SMEs), public research institutes, and IP holding companies in maintaining their rights.

② To promote the introduction of employee invention compensation systems, we temporarily reduced the registration fee for the 4th to 6th years by 20% for 2 years (March 1, 2014, February 29, 2016) for SMEs selected for their potential to compensate employee inventions.

③ We reduced the application fee, examination request fee, and registration fee by 85% for young people (people aged between 19 and 30) and elderly inventors (people over 65) with creative ideas, thereby fostering job creation and the founding of creative business startups.

④ We improved the additional payment system by subdividing the previous 3 stages (within 1 month, within 2 to 3 months, and within 4 to 6 months) into 6 stages (between the 1st and the 6th months) and reducing the previous

additional fee rates (20%, 30%, and 50%) into a monthly rate percentage (3% added each month) to minimize difficulties for our customers.

⑤ Based on the amended Patent Act (Law No. 11654, which came into force on July 10, 2013), we decided to consider all corrections made, aside from the final corrections, as a withdrawal in order to levy fees only on items requested for addition during the final correction stage when multiple corrections are made during the opinion submission period.

02

Improved application and registration systems

By providing user-friendly software for writing applications, we have made the submission process easier. In addition, we revamped the Patent Road website (www.patent.go.kr), which now offers samples of certifying documents and assists customers in requesting fee exemptions or reductions. Furthermore, the denomination for the PCT application fee was changed from Korean won to Swiss francs (CHF) as of January 1, 2013.

We run a weekly self-study program to provide formality examiners with training and deliberation on examination procedures so that they, in turn, can

provide high-quality precision services to applicants. We also take time every quarter to evaluate formality checks.

In July 2013, we introduced an online service for issuing registration certificates. IPR holders can make an online reissuance request through the Patent Road website and print out the certificate at their convenience. In order to expand correctional opportunities in registration request forms, we have also reduced the number of forthright rejections that deny applicants the chance to make rectifications. For foreign rights holders, we have extended the registration correctional period from 1 month to 2 months in recognition of the additional time it takes for foreign enterprises and organizations to prepare responses. Furthermore, as of November 2013, we have reduced the pendency (from one month down to six days) for formality checks on domestic requests for PCT applications.

03

Improved customer service system

With the active participation of our customers, we oversee an IP administration monitoring team and run an IP administration idea contest to ascertain new areas for examination enhancement. We held an idea contest, open to the general public, which corresponded with the Day of Invention held last May, during which 89 ideas were submitted. Among them, 10 ideas were adopted as policies for systemic improvement.

The IP administration monitoring team was launched in November 2012 with a total of 36 staff members responsible for doing IP work with conglomerates and SMEs, patent attorneys, and law firm representatives. Since its launch, the team has discovered 39 details for systemic and institutional improvement. The team is closely linked with KIPO operations and strives to make policies based on the recommendations of active, experienced patent users.

< The number of proposals >

Category Year	Proposals	Adopted proposals
2nd half of 2012	57	11
1st half of 2013	95	14
2nd half of 2013	52	14
Total	204	39