



WIPO FORUM
on
Intellectual Property and SMEs
within OECD Countries

May 21 to 23, 2003
Geneva, Switzerland



Theme II

Outreach and Support Programs for Entrepreneurs and SMEs

- Experiences of KIPO -

- ➡ Chaho JUNG, Esq.
- ➡ Director
- ➡ Precision Machinery Examination
Division
- ➡ Korean Intellectual Property Office



- Contents -

O Part 1

- Current Status of SMEs in Korea

O Part 2: KIPO's Assistance to SMEs

- (1) IP Acquisition Campaign for SMEs**
- (2) Assisting in the Creation of IP**
- (3) Reducing the Cost of Acquiring IPRs**
- (4) Activating the Marketing of IPRs**
- (5) Supportive Measures for Commercialization**



Current Status of SMEs in Korea

O Importance of SMEs in the Korean Economy

- Serving as main engines for national economy
 - * number of SMES: 99.7% of total companies (2000)
 - * employees: 83.9% of total employees (2000)
- Share of SME economic activities expected to increase

O Role of SMEs in Korea

- Driving force for economic revolution
 - * sharp increase of IT, BT-related venture start-ups
- Contributing to job creation
- Playing a leading role in advancing high technology
 - * knowledge-intensive industry more appropriate for SMEs



Current Status of SMEs in Korea

O Importance of IPR Acquisition by SMEs

- IPR acts as a key weapon to secure technological edge in mega-competition world of 21st century
 - * leading to continuous technological innovation by providing stimulus for reinvestment of R&D
 - * means for paying-off investment cost for R&D
 - * key assets of business management

O How many IPRs are owned by SMEs

- Ownership ratio by SMEs (including individuals)
 - * 14.8% of entire IPRs
- 1.7% of SMEs own more than one IPR



Current Status of SMEs in Korea

O Why the ownership ratio by SMEs is low

- **Difficulties in obtaining IPRs**
 - * **top managers of SMEs has poor recognition for IPRs**
 - * **lack of IPR experts**
 - * **lacking infrastructure to support creation & usage of IPRs**
- **Bottlenecks in commercialization**
 - * **shortage of funds**
 - * **difficulties in marketing**
 - * **hard to estimate market value**



KIPO's Assistance to SMEs

O Launch of Outreach & Support Program 4 SMEs

- Goal

- * induce all SMEs with more than 5 employees to have at least one patent or utility model**

- Basic direction

- * activities for enhancing awareness of importance of IPRs**
- * integrating to all kinds of government support measures for IPRs**



KIPO's Assistance to SMEs

O Implementation of the Program

- “IPR Acquisition Campaign for SMEs”
- Assisting in the creation of IP
- Reducing the cost for acquiring IPRs
- Activating the marketing of IPRs
- Supportive measures for commercialization



KIPO's Assistance to SMEs

O “IPR Acquisition Campaign for SMEs”

- **conducting nation-wide explanatory meetings**
- **offering IP training programs for SMEs at the IIPTI and KIPA**
- **including IPR subject in training programs of SME-related institutes**
- **setting up relationship b/w SMEs & KIPO examiners**



KIPO's Assistance to SMEs

O Assisting in the Creation of IPRs

- **Information service for IPR creation**
 - * free internet database (9.2 million hits in 2002)
 - * IPR Call Center for overall IPR questions
 - * regional Patent Information Centers
 - * distributing patent maps & high-tech analysis reports
- **Diagnosis of IP**
 - * provides appropriate direction of R&D
 - * before commencing R&D
 - * KIPO assists 75% of the cost
 - * designates 17 institutes as expert groups
 - * 20-40 cases every year



KIPO's Assistance to SMEs

O Reducing the Cost of Acquiring IPRs

- **Reduction of official fees**
 - * application fee, exam. fee & registration fee for first 3 years
 - * 70% reduction for individuals and small enterprises
 - * 50% reduction for medium-sized enterprises
- **Offering a free patent attorney's service**
 - * free service for a first-filed application
- **Financial support for overseas filing fees**
 - * funding assistance to individuals and SMEs
 - * patent or utility model applications
 - * up to 3 applications per capita, US\$2,000 per application



KIPO's Assistance to SMEs

O Activating the Marketing of IPRs

- Supporting the evaluation of IPRs**
 - * backing up the transaction or commercialization of IP technology by objective estimation of the market value**
 - * estimating the technical effect and profitability of IP**
 - * supporting the expenses for individuals or SMEs, up to 80%**
 - * designated 26 institutes as technical expert groups**



KIPO's Assistance to SMEs

O Activating the Marketing of IPRs

- Operating patented-technology markets

*** Internet IP Mart (on-line)**

- opened April 2000**
- 50,000 cases on the database**
- successful transactions of 81 cases**

*** IP Market (off-line)**

- opened November 2000**
- display of 66 cases**
- changes of display items every 3 months**
- successful transactions of 111 cases so far**



KIPO's Assistance to SMEs

O Supportive Measures for Commercialization

- **Expansion of fund assistance**
 - * **set up of the “Consultation Committee on Commercialization”**
 - **close cooperation with the MOCIE, SMBA and KIPO**
 - **provide fund for R&D start-ups, transactions of IPRs**
 - **amount of financing: U\$100 million (2002)**
 - * **match-making b/w right holders and patent angels**
 - * **direct investment by KIPO**
 - **takes part in organizing investment funds**
 - **about U\$2 million (2003)**



KIPO's Assistance to SMEs

O Supportive Measures for Commercialization

- **Assisting in the manufacture of pilot products**
 - * **manufacturing and testing pilot products before commercialization**
 - * **amount of assistance**
 - **individuals: up to 90% of total cost**
 - **SMEs: 80%**
 - **20-40 cases financed a year**
- **Supporting sales of patented goods**
 - * **making up for the weakness of marketing ability of SMEs**
 - * **opening patent product exhibitions 3-4 times a year**
 - * **selecting excellent patent products and advertising through home shopping TV, newspaper, etc.**



**KIPO will be happy
to share its experiences and
to cooperate with other IP Offices
regarding SME support programs.**

Thank you!