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**THEME II: CREATION, MANAGEMENT AND USE OF IP - AN INTEGRATED AND
PROACTIVE IP POLICY AND STRATEGY**

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I. INTRODUCTION

The 21st century can be characterized best as a knowledge and information era in which creative knowledge and information constitute competitiveness. As the traditional requisites of production such as land, labor and capital have, in some cases, reached their limits in creating added value, creative knowledge and information have become a major source of competitiveness. Accordingly, modern society is being transformed into a knowledge-based economy in which knowledge and information are replacing labor and capital as the main source of added value. As a reference, according to a recent study by the Korean Development Institute (KDI), an increase of 1% in national patent applications correlates with an increase of 0.11% in national growth within three to five years, and an increase of 100% in an enterprise's patent registrations correlates with an increase of 2.9% in that enterprise's value.

In this knowledge-based economy, it is evident that the creation and use of more competitive intellectual property (IP) is essential from a national point of view. It is also regarded as crucial for national growth and gaining national competitiveness. In this regard, many countries are making efforts for the creation and effective use of IP.

The Korean government is also making every effort for supporting research and development (R&D) activities and promoting IP creation in universities, R&D institutes, and companies. This paper introduces the Korean Intellectual Property Office (KIPO)'s efforts to implement several support programs for IP creation.

II. EXTENSION OF THE RANGE OF IP CREATOR

Intellectual Property Rights (IPRs) Acquisition Campaign for SMEs

Though small and medium sized enterprises (SMEs) account for 99.8 percent of companies in Korea and are an important source of employment for the national economy, they are still weak in human resources, funding and marketing, especially IP creation. Consequently, KIPO has been conducting an IPR Acquisition Campaign for SMEs since September 1999. The campaign encourages SMEs to invent new technologies and to use them as core business assets.

Firstly, to improve the SMEs' capability of creating intellectual property rights (IPRs), KIPO is striving to heighten SMEs' awareness of IPRs and resolve their IPR challenges. KIPO has been strengthening IPR education by developing educational channels within relevant organizations. Specifically, in conjunction with the Korea Chamber of Commerce, it offers introductory courses to enhance SMEs' understanding of the importance of IPRs, application procedures, and government support programs relating to IPR creation. Furthermore, through cooperation agreements with industry associations, KIPO is providing companies with special technology information and consulting services.

According to Fee Regulation approved in December 2000, effective January 1, 2001, KIPO has continued to provide additional fee reductions for SMEs until 2005. Under this regulation, any "small enterprise," which meets the requirements as prescribed by the "Framework Act on SMEs" can obtain a 70% reduction in the application fee, examination request fee, and first registration fee related to patents, utility models and industrial designs. Also, any "medium-sized enterprise" can obtain a 50% reduction in the application fee etc.

Activation of Invention in Universities and R&D Institutes

As of 2001, the amount of R&D investment in universities and public R & D institutes was about ₩38,000 billion Korean won, that is 24% of the total R&D expenditure in Korea. And, the number of involved researchers, including professors, was around 52,000 which is 38% of the total R&D manpower in Korea.

The Korean government has recognized the importance of IP creation in universities and public R & D institutes and made epoch-making changes in the IPR management system in national universities in 2002. KIPO and the Ministry of Industry and Energy (MOIE) revised the Patent Act and Technology Transfer Promotion Act so that they may promote IP creation and efficient management in universities. As a result, the ownership of professors' in-service inventions changed from the state to the 'Transfer License Organization (TLO)' set up in universities. When the TLO gains royalty for setting up licensing to others, it has to compensate more than 50% of royalty for the professors who are inventors.

Additionally, KIPO has designated 55 universities as 'Patent Cooperation University' to support IP creation and management in universities. They were selected from universities that met the requirements of having computer training facilities, IPR courses in the curriculum, and retention of IPR professors. The goal of this program is to improve awareness of IPRs in universities and to promote the creation and use of IPRs. KIPO has provided those universities with various support services because they serve as the infrastructure for disseminating information on IPRs; developing and distributing references books; supporting seminars, special lectures and invention promotion competitions; and providing lecturers for education courses on IPRs.

Cultivating Creative Young Inventors

KIPO has set up various programs through which students in elementary school, middle school, and high school can become more familiar with inventions and inventing, and thus become potential future inventors or scientists.

As of 2002, more than 6,700 students' invention clubs in schools has been autonomously established and operated as extracurricular activities. In order to activate invention education and expand the base of student inventions, KIPO also established 'Regional Actual Training Center for Students' in cooperation with national educational and local self-governing bodies after 1995. To promote students' activities, KIPO publishes and distributes various guides for students' inventive activities and provides various supporting programs including training programs for guidance teachers in Invention Clubs and Regional Actual Training Center For Students. KIPO is also advancing by setting up an 'IPR Education Center' at the International Intellectual Property Training Institute(IIPTI) for instructing students on inventions and educating on the IPR System from 2003 to 2005.

The invention promotion events such as the 'Korean Student Invention Exhibition' have been held to identify and encourage students who have potential to become successful in this field. It assists students to cultivate creative ideas and to make invention part of their lives while still young. The official fees such as application fee, examination fee, and registration fee for the first three years are exempt for students. KIPO has supported free of charge application attorneyship for students under a cooperative agreement between KIPO and the

Korea Patent Attorneys Association(KPAA).

Another related aspect is the fact that more than 60 universities, for the time being, operate a program to grant preferential admission for students who excel in inventive activities. In 2002, 123 students were admitted to universities under the program. In 2003, KIPO created a scholarship for students who have received awards in major invention competitions such as the Korea Students Invention Exhibition, or who demonstrate superior ability in inventive activities.

Supporting Women's Inventive Activities

As Korean women are increasingly participating in economic activities today, KIPO recognizes the need to cultivate women inventors and assist them to participate as national resource to a greater extent. To promote these activities, a comprehensive support program has been implemented. In 2002, the percentage of women participating in the Korean economy is over 40%. However, industrial property right applications are only about 4% of total applications ; this shows that intellectual property creation activities of women are very low.

KIPO has formulated comprehensive measures to promote women's inventive activities which are aimed at developing women as a pivotal force for creating and using IPRs. In 2002, KIPO revised the Invention Promotion Act to establish government support for women's invention activities.

To improve public awareness on the involvement of women in inventions and IPRs, and to encourage women to be familiar with inventions in their daily lives, KIPO holds explanatory meetings on women's IPR acquisitions in 16 cities and provinces. To create an inventive environment for women, KIPO has been cultivating female inventors in a variety of annual invention-related events such as the 'Women's Invention Fair' and the 'Women's Invention Competition'. KIPO also publishes and distributes a booklet relating to women's inventions.

III. CONSTRUCTION OF LEGAL AND INSTITUTIONAL INFRASTRUCTURE FOR IP CREATION

Due Compensation for the In-service Invention

In modern society, most technologies are created by companies and research groups that have a well-organized research base. Most inventions today are created on-the-job by employees who are working for companies and research institutes. In-house inventions prevail to the extent of 81% of Korea's inventions in 2002. This phenomenon has prompted the government to launch the 'In-house Invention Promotion Program', in accordance with Article 8 of the Invention Promotion Act and Article 40 of the Patent Act. This program aims to encourage corporate employees, researchers and government employees to create more inventions.

Article 40 of the Patent Act states that if the invention of an employee meets the requirements relating to an in-service invention and the employee transfers his/her invention to a company, the company must grant them proper compensation for their invention. Eligible employees may receive an application reward, registration reward, execution reward or disposal reward. To promote in-service inventions, KIPO has been hosting 'In-service

Inventions Competition' every year since 1994. As well, KIPO has sponsored explanatory meetings for companies, research institutes and universities.

Supporting IP Creation in Local Areas

IP creation in the regional areas of Korea is quite limited because the activities of IP creation such as R & D are centered in Metropolitan Area especially in Seoul. As a result, the IPR acquisition ratio of local area is low. So, KIPO has made efforts to reduce the patent information gap between Seoul and local areas and to support IP creation throughout the nation.

KIPO has been constructing a patent information services system through which people needing materials such statistics and guidebooks on IP could easily be assisted in all regions of the country. KIPO has designated local invention associations or the Local Chamber of Commerce and Industry chapter as a 'Regional Patent Information Service Center'. As of December 2003, KIPO has established and is operating 23 such service centers. They not only provide IP information but also perform public relations activities, for example providing consultations on R & D directions, and instruction and education with respect to IPRs. They also conduct various activities to encourage the inventions of individuals and companies by holding invention ceremonies.

Other Developments and Supporting Activities

To facilitate invention through raising the morale of inventors, the Korean government designated May 19 as National Invention Day. KIPO has been holding commemoration exercises and granting awards to inventors every year. During the entire month of May, various exercises related to inventions are held. These are meant to inspire and increase people's awareness of invention nationwide, and these activities also heighten understanding of the importance of IP.

In addition, by operating training programs for people interested in invention at the IIPTI, specialized education is provided to intellectual property professionals. The curricula are determined according to enterprises' patent managers, employees of patent attorney's offices, professors of science and engineering departments and individual inventors.

In 2003, Korean Intellectual Property Center including the Seoul Patent Office and the related institutions and groups which deal with patent affairs, was located in one building to provide a central service center for patent affairs and thus raise the effectiveness of work and provide high quality service to clients.

IV. SUPPORTING PATENT AND TECHNOLOGY INFORMATION

Providing Free Patent Information

Because patent information is often an important material for the selection of R & D projects and valuation of their results, many countries make strenuous efforts to readily provide such information.

To promote further utilization of patent information, KIPO provides the public with a

patent information search service, the Korea Industrial Property Rights Information Service (KIPRIS). KIPRIS offers a free patent information service through the Internet, allowing searches of all IP related systems, such as patent, utility model, design and trademark. Since January 1, 2002, this service is being provided both through the Internet website of KIPO (<http://www.kipo.go.kr>) and Korea Patent Information Institution(KIPI) (<http://www.kipi.or.kr>), an affiliate of KIPO.

Producing and Distributing of Patent Maps

KIPO has produced and distributed "Patent maps(PMs)" for SMEs, research institutes and government organizations. The PMs are designed to keep track of bibliographies of patent information, to extract data or keywords, to correlatively analyze data, and to illustrate analyses with diagrams such as by updated graphs and distribution charts. This program was implemented from 2000 and will be re-commissioned in 2004. From 2000 to 2004, a total of 120 PMs will have been written and circulated. KIPO develops PMs on 24 topics every year; these are annually chosen according to the needs of a variety of users in technical areas.

These PMs are distributed free as CD-ROMs and booklets so that anyone can use them without difficulty. KIPO also transfers information from PMs to SMEs and research institutes to encourage them to develop their own PMs. For the same purpose, KIPO collects and disseminates successful cases of PM development.

IP Consultation Services for R & D

KIPO also assists IP consultation services for individuals and SMEs including poorly equipped companies. Anyone, including SMEs, can be provided appropriate direction in R&D before commencing R&D investment. They can also receive a check whether or not their technology could infringe upon others' existing rights.

When applicants request for IP consultations, 17 institutes designated by KIPO as an expert group can offer various patent information services such as precedent technology, analysis of status of core technology and market trend in technical areas. KIPO itself supports 20-40 cases every year. KIPO, at present, assists with 75% of the cost per request, to the extent of 1,5 million Korean won.

V. CONCLUSION

To gain and hold competitiveness and create a driving force in a knowledge-based society, a nation should maximize personal originality and passion, and also foster change and innovation through the active participation of systematic institutions.

To facilitate IP creation in SMEs, universities, R & D institutions, and in other sources, KIPO will strengthen incentives for inventors including compensation for their inventions. KIPO will also energetically support invention activities in industry and distribute patent information. KIPO will continue to explore available resources and expand necessary infrastructure so that industry can make the best possible use of IPRs.

And lastly, deserving of mention is KIPO's experience in invention promotion activities in cooperation with many countries and the exchange of materials relating to national IPR activities. Especially, I am looking forward to broadening the cooperation with other nations through WIPO programs in this field.

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