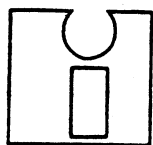


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INTERNATIONAL FEDERATION OF  
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WORLD INTELLECTUAL  
PROPERTY ORGANIZATION

**WIPO-IFIA INTERNATIONAL SYMPOSIUM ON  
THE COMMERCIALIZATION OF INVENTIONS  
IN THE GLOBAL MARKET**

organized by  
the World Intellectual Property Organization (WIPO)  
and  
the International Federation of Inventors' Associations (IFIA)  
in cooperation with  
the Korean Intellectual Property Office (KIPO)  
and  
the Korea Invention Promotion Association (KIPA)

**Seoul, December 4 to 7, 2002**

**INVENTIVE ACTIVITIES IN THE FRAMEWORK OF UNIVERSITIES AND SMALL  
AND MEDIUM-SIZED ENTERPRISES (SMES)**

**PROMOTING THE EFFECTIVE USE OF INTELLECTUAL PROPERTY (IP)  
BY SMALL AND MEDIUM-SIZED ENTERPRISES AND CREATION  
ACTIVITIES IN UNIVERSITIES**

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## I. PROMOTION OF IP CREATION FOR SMES

### 1. Current Status of SMEs in Korea

Importance of SMEs in the Korean economy

- ▶ Serving as main engines for national economy
  - number of SMEs: 99.7 % of industrial companies (2000)
  - employees: 83.9 % of total employees (2000)
- ▶ Share of SMEs economic activity expected to increase
- Role of SMEs in Korea
  - ▶ Driving force for economic reinvigoration
    - sharp increase of IT, BT-related venture start-ups
    - leading to promising industrial structure from traditional industries
  - ▶ Contributing to job creation and expansion of the middle class
  - ▶ Playing a leading role in advancing high technology
    - technical innovation in IT, software and so on
    - knowledge-intensive industry more dependent on SMEs
- How many IPRs are owned by SMEs?
  - ▶ Ownership ratio by SMEs (including individuals)
    - 14.8 % of entire IPRs:
      - patents, utility models: 17.7 % (74,000)
      - trademarks, designs: 82.3 % (447,000)
  - ▶ 1.7 % of SMEs own more than one IPR
- Why the ownership ratio by SMEs is low?

- ▶ Difficulties in obtaining IPRs
  - Top managers of SMEs have poor recognition for IPRs
  - Lack of professional IPR experts
  - Insufficient infrastructure to support creation and usage of IPRs
  - Cost burden for filing and registration
  
- ▶ Bottlenecks in Commercialization
  - Shortage of funds
  - Difficulties in marketing
  - Lack of R&D personnel
  - Hard to estimate market value

2. KIPO's Assistance to SMEs

- Launch of IPR Acquisition Movement for SMEs

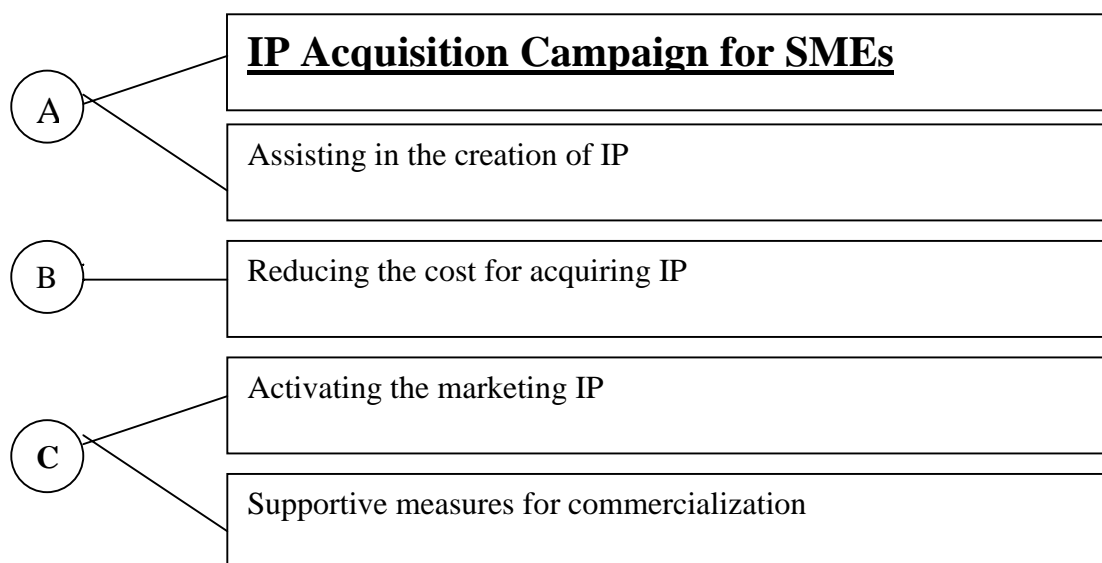
- ▶ Goal

- induce all SMEs with more than five employees to have at least one patent and utility model

- ▶ Basic direction

- activities for enhancing awareness of IPRs
  - education, spreading of best practices, public relations
- linkage to all kinds of government support measures for IPRs
  - R&D, IPR acquisition, commercialization

- Implementation of the movement



#### A. IP ACQUISITION CAMPAIGN FOR SMES

- Basic direction
  - ▶ Enhancing public awareness of IP
  - ▶ Linking R&D activities to IP acquisition
- Major contents of the campaign
  - ▶ Conducting nationwide explanatory meetings
  - ▶ Offering IP training for SMEs at the IIPTI and at KIPA
  - ▶ Setting up relationship between SMEs and KIPO examiners

#### B. ASSISTING IN THE CREATION OF IP

- Information service for IPR creation
  - ▶ Free information service through KIPRIS
    - available information: 20 million pieces of data (2002)
    - usage: 3.3 million hits (2001)
  - ▶ IPR Call Center
    - overall consultation service

- opened in 2002
- ▶ Establishment of the Regional Patent Information Center
- ▶ Distributing patent maps and analysis of cutting-edge technology
  - 24 fields of technology
- Diagnosis of IP
  - ▶ Provides appropriate direction of R&D
  - ▶ Before commencing R&D
  - ▶ KIPO contributes 50 % of the cost
  - ▶ Designated the 17 institutes as diagnostic institutes
  - ▶ 20~40 cases every year

#### C. REDUCING THE COST OF ACQUIRING IP

- Reduction of official fees
  - ▶ Application fee, examination fee, registration fee for first 3 years
  - ▶ Individuals or micro enterprise: 70 % reduction
  - ▶ Medium-sized enterprises: 50 % reduction
- Offering a 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 head, \$1,000 (\$US) per application

#### D. ACTIVATING THE MARKETING OF IP

- Supporting the evaluation of IP
  - ▶ Backing up the transaction or commercialization of IP technology by objective estimation of the market value

- ▶ Estimating the technology and profitability of IP
- ▶ Supporting the expenses for individuals or SMEs, up to 70 % for free
- ▶ Designated 25 institutes as patent estimation institutes
- Operating patented technology markets
- ▶ Internet IP Mart (on-line)
  - opened in April 2000
  - two thousand cases on the database
  - Succeeded in 81 cases
- ▶ IP Market (off-line)
  - opened November 2000
  - display of IP technology: 66 cases
  - change of display every 3 months
  - succeeded in 111 cases

E. SUPPORTIVE MEASURES FOR COMMERCIALIZATION

- Expansion of fund assistance
- ▶ Set up of Consultation Committee on Commercialization
  - close cooperation with the MOCIE, KIPO, SMBA
  - provide funding for R&D start-ups
  - facility investment: 100 billion won (2002)
- ▶ Match-making between right holders and patent angels
- ▶ Direct investment by KIPO
  - takes part in organizing investment funds
  - investment for the business sector to commercialize patented technology owned by research institutes
  - 2 billion won (2003)
- Assisting in the manufacture of pilot products

- ▶ Manufacturing and testing pilot products before commercialization
- ▶ Limit of assistance
  - Individuals: up to 90 % of total cost
  - SMEs: 80 %
- ▶ 20~40 financed: about 20 % of total applications
- Supporting the circulation of patented goods
- ▶ Making up for the weakness of marketing ability of SMEs
- ▶ Opening the Patent Product Exhibition or Patent Product Fair 3~4 times a year
- ▶ Selecting excellent patent products and advertising through TV or home shopping channel

## II. PROMOTION OF IP ACTIVITIES IN UNIVERSITIES

### 1. Current Status of IP Activities in Universities

- Research activities in universities
  - ▶ University researchers: 32 %
  - ▶ R&D investments: 11 %
- IP lectures at universities
  - ▶ Graduate schools: 24
  - ▶ Undergraduate schools: 15
- Number of Applications
  - ▶ Faculties and research fellows: 540 (2001)
  - ▶ Students: 1,220 (2001)
- Appropriate and sufficient IP management system not instituted
  - ▶ Lack of recognition of the importance of IP
  - ▶ Poor management department

- ▶ Lack of financial incentives for academic research, and so on

## 2. How to promote IP activities in universities

### A. FOR STUDENTS

- Training programs on IPRs
  - ▶ General understanding of IPRs
  - ▶ Outline of IPR system
  - ▶ Skills in utilizing patent information
  - ▶ Strategy for commercializing patent rights
- Sponsoring students' invention club
  - ▶ Assist the organization and operation of the Student Invention Club Association
  - ▶ Support systematic activities of Student Invention Club Association by a supervisory commission
  - ▶ Sponsor invention club contests (the 1st contest: Dec. 2002)
- Expansion of the Patent-Net Pilot Educational Program
  - ▶ Designated 55 universities as Patent-Net pilot educational institutions
  - ▶ Regional patent information resource centers
  - ▶ Provide educational programs
    - filing system and standardized educational materials
- Reduction of official fees
  - ▶ Filing fee, Examination fee, Initial Registration fee

### B. FOR PROFESSORS

- Promoting research activities by professors in public universities
  - ▶ Revision of the Patent Act (2001.12)
    - increase compensation: 10 %~30 % → more than 50 %
  - ▶ Assessing patents acquired by professors as equivalent to a research thesis in the evaluation of professors



- Promotion of transfers and commercialization
- ▶ Promote utilization through the IP-Mart
- ▶ Develop a standard for managing the IPRs of universities
- Promote exhibitions for university-owned technology transfer
- Finance for commercialization
- Reduction of official fees filed by public universities
- ▶ Filing fee, examination fee, initial registration fee

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