

# **IP Owners' Perspective on Backlog**

**Korea Intellectual Property Association  
2010. 6.  
Edinburgh**





**I. Current standing on backlog**

**II. Reason causing the backlog**

**III. Solution conducted**

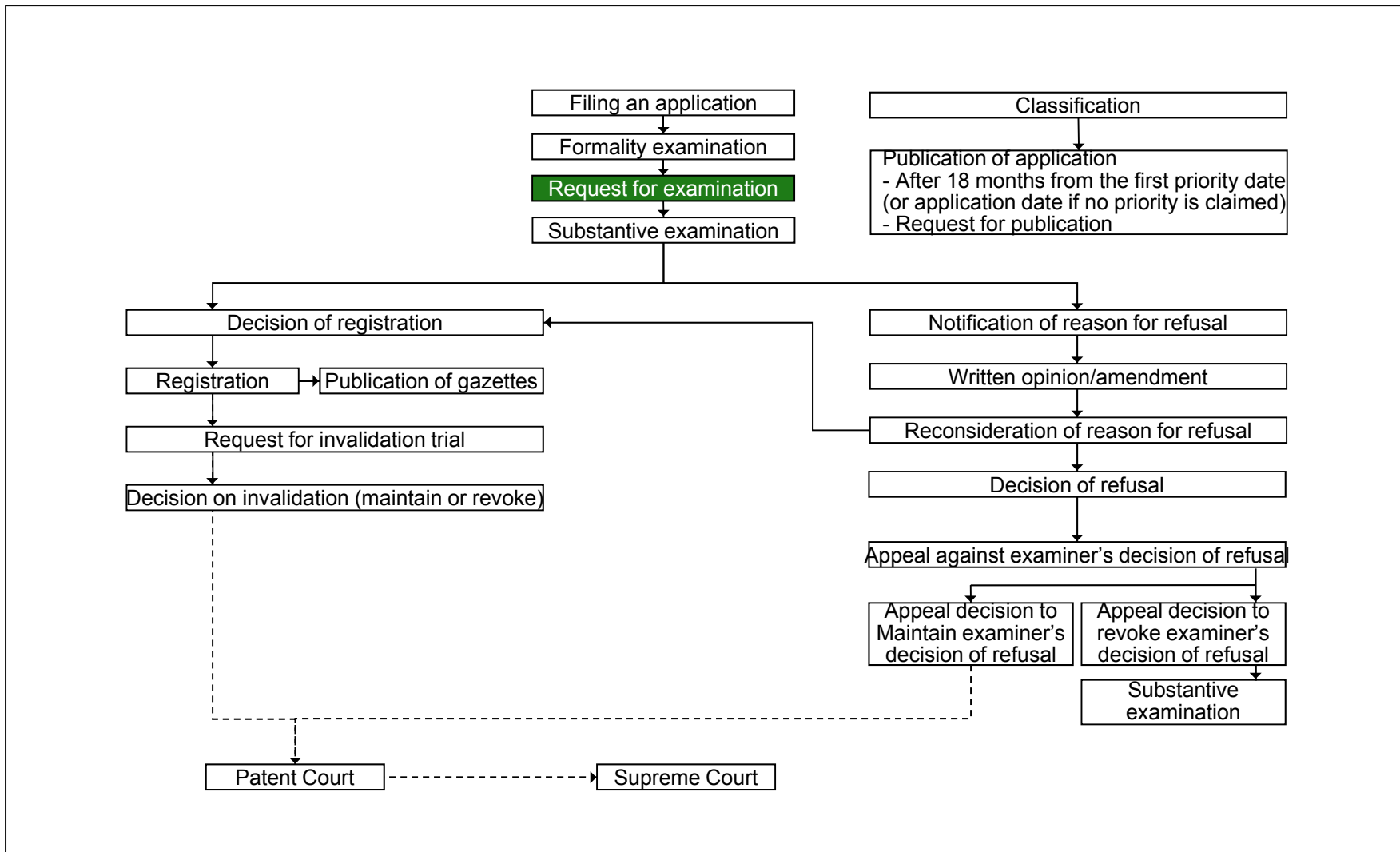
**IV. Discussion**

\* Source

1. Annual report of KIPO in respective year

2. Analysis on social and economical effect according to reduction of examination period  
( 2007.9, CHO Yun-Ae, et al. Korea Institute for Industrial Economic&Trade)

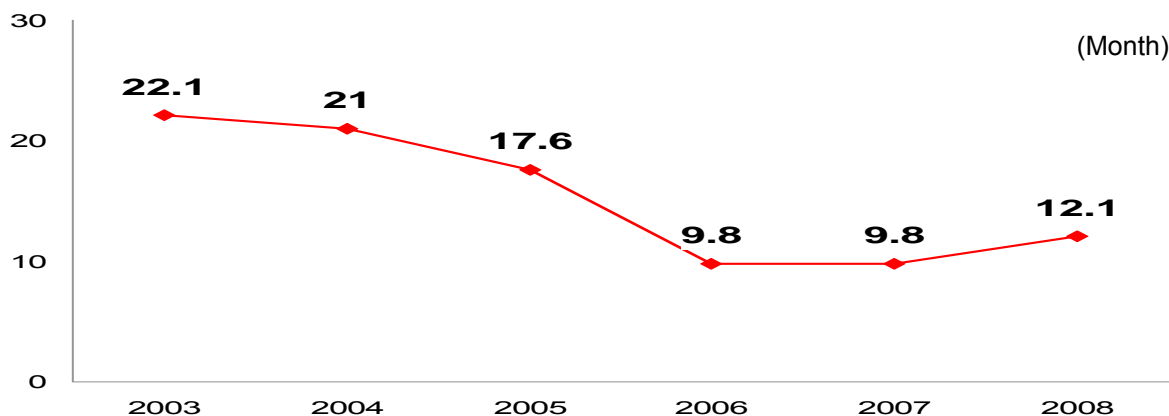
# Patent procedure at KIPO





# Patent pendency

KIPO reports that patent pendency has declined rapidly in recent years. In 2008, the number of patent applications examined by the first action standard was 95,504. By the end of 2008, the first action pending period for patent examinations averaged 12.1 months, an increase from the previous year's 9.8 months. Pendency level in Korea is relatively low compared to other countries.



Classification		First action					pendency period
		Registration decisions	Recommendation for amendment	Others	Withdrawal-disclaim	Total	
Patents	2003	19,505	71,100	426	2,402	93,433	22.1
	2004	19,952	75,085	1,830	2,959	99,826	21
	2005	21,860	106,096	410	2,749	131,115	17.6
	2006	39,440	151,365	912	3,678	195,395	9.8
	2007	26,801	96,997	693	4,656	129,147	9.8
	2008	12,190	79,461	505	3,348	95,504	12.1

# Strong demand on reduce EP



According to the survey, Korean IP owners still have a strong demand on reduction of examination period (EP) though the pendency period in KIPO is 9.8 months.

## *Year 2002*

26% companies experienced economic damages from long EP  
80% prefer the EP not longer than 14 months  
84% complained about long EP

## *Year 2004*

74% prefer the EP less than 14 months  
75% not satisfied due to long EP  
In 2004, the level of satisfaction of EP : 42.2 out of 100

## *Year 2008*

>> Is the world fastest 9.8 Months enough?  
- 53.8% said 9.8 is not fast enough  
>> Need to improve the quality of examination?  
- 91.4 % said YES!

# What is the impact of reduction of EP



Positive impact	weight
Advantageous to preoccupy in the market	4.1
To secure the royalties	4.0
To encourage inventors	3.8
To preclude competitors from imitated goods	3.9
To prevent counterfeited goods	4.0
To decrease legal disputes	4.0

Negative impact	weight
A burden of maintenance cost	3.4
A falling-off in examination quality	2.9
Lack of time to prospect a market environment	2.9
Risk of exposure on its R&D strategy	2.9

# Study on economical effect



Academic research conducted in the year 2006 shows that a reduction of EP finally increases the national productivity. Considering an economic growth, the impact of reduction of EP at present would be higher than that of year 2006.

The research adopts an assumption that the reduction of EP make the term of a patent right expanded, thereby encreases the EPS(Efficient Patent Stock), and finally heighten the productivity in gross.

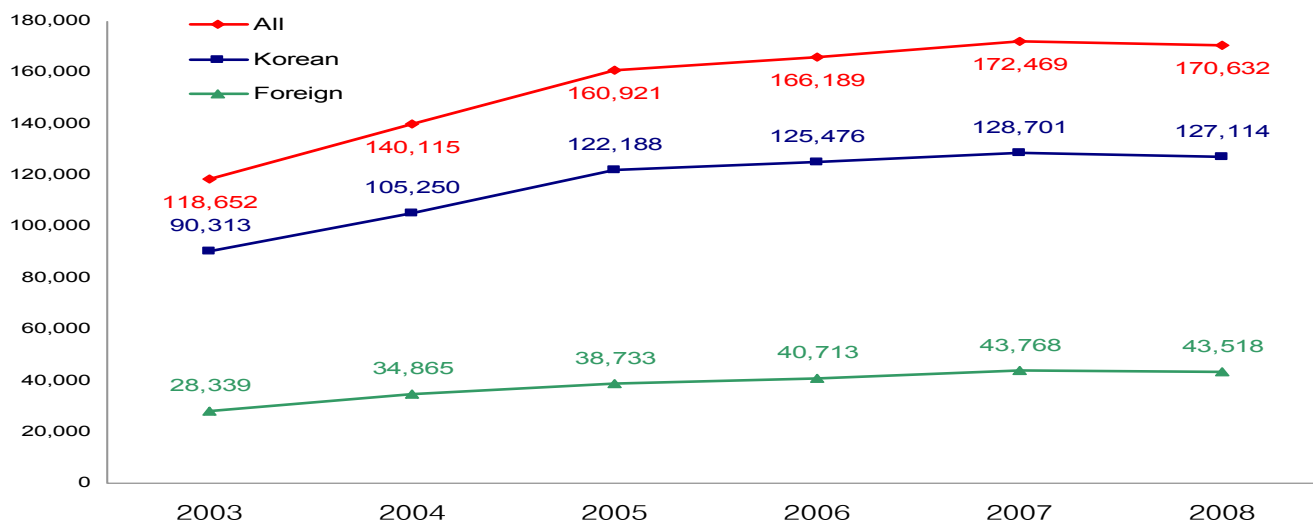
The research estimates the financial effect :

Production increased → \$ 1.4 Bil(USD)  
Added value created → \$ 0.57 Bil(USD)



# Increase of patent application

Patent application to the KIPO have increased from 118,852 in 2003 to 170,832 in 2008, representing compound annual growth of approaching 7.8%.



Classification	Year	Korean		Foreign		Total
		Applications	Proportion	Applications	Proportion	
Patents	2003	90,313	76.1%	28,339	23.9%	118,652
	2004	105,250	75.1%	34,865	24.9%	140,115
	2005	122,188	75.9%	38,733	24.1%	160,921
	2006	125,476	75.5%	40,713	24.5%	166,189
	2007	128,701	74.6%	43,768	25.4%	172,469
	2008	127,114	74.5%	43,518	25.5%	170,632

# Cumulation of examination request



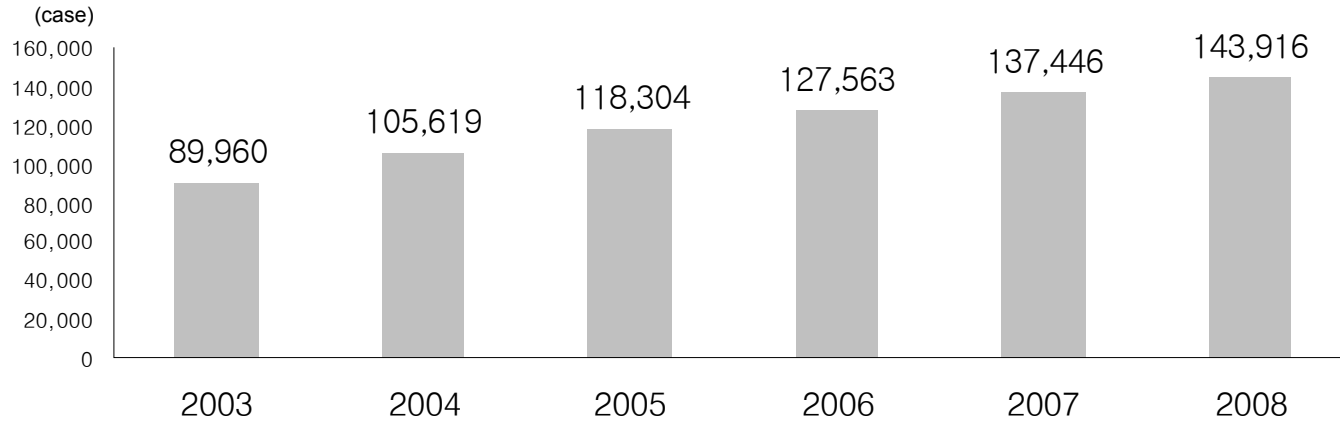
Despite a 5-year deferral period, and an increased percentage of deferred applications, the number of examination requests continues to grow.

Requesting year		2003	2004	2005	2006	2007	2008
Filing Year	Application	Examination Request					
1998	75,188	7,850					
1999	80,642	4,471	9,891				
2000	102,010	4,731	5,280	9,382			
2001	104,612	1,801	5,007	5,436	12,126		
2002	106,136	1,637	1,513	5,231	5,999	12,136	
2003	118,652	69,470	2,688	1,687	5,405	5,620	12,306
2004	140,115		81,240	2,521	2,020	6,901	8,027
2005	160,921			94,047	2,930	2,512	9,293
2006	166,189				99,083	3,628	3,142
2007	172,469					106,649	4,245
2008	170,632						106,903
<b>Total</b>		<b>89,960</b>	<b>105,619</b>	<b>118,304</b>	<b>127,563</b>	<b>137,446</b>	<b>143,916</b>

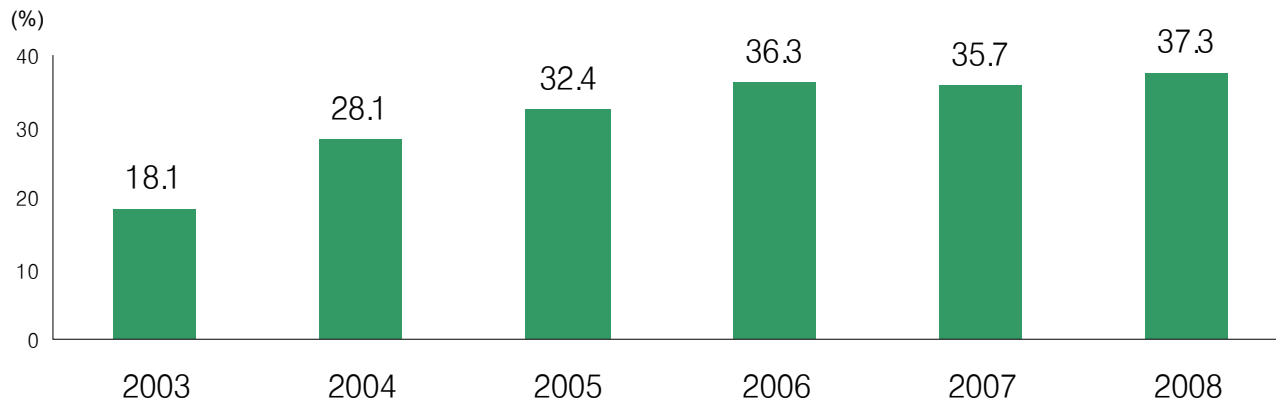
# Examination request in domestic



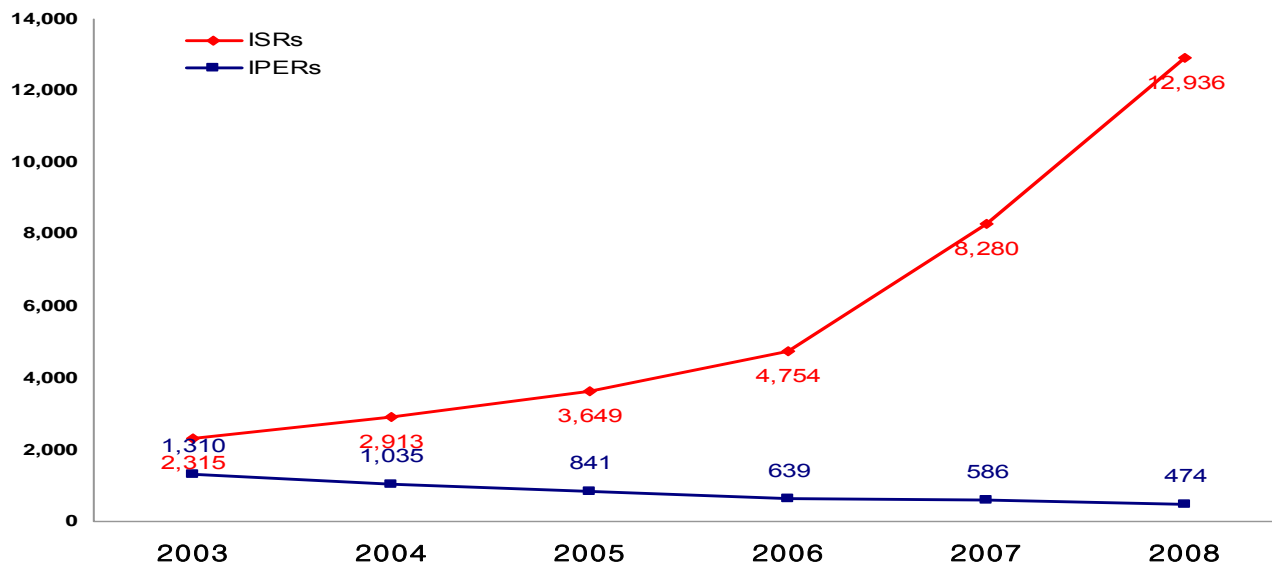
## Rate of Request



## Rate of Deferral



# Examination request in PCT



International search reports and International preliminary examination reports

Year	ISRs	IPERs
2003	2,315	1,310
2004	2,913	1,035
2005	3,649	841
2006	4,754	639
2007	8,280	586
2008	12,936	474

# Approach to reduce EP



## Improvement of examination efficiency

Customer-tailored three track examination system is established in order to obtain greater flexibility.

## Expanded outsourcing of prior art searches

KIPO outsourced 71.9% of patent application searching in 2008. Outsourcing ratio of prior art searches: 51.4% (2004) → 71.9%(2008)

## Enlargement of disposal capability

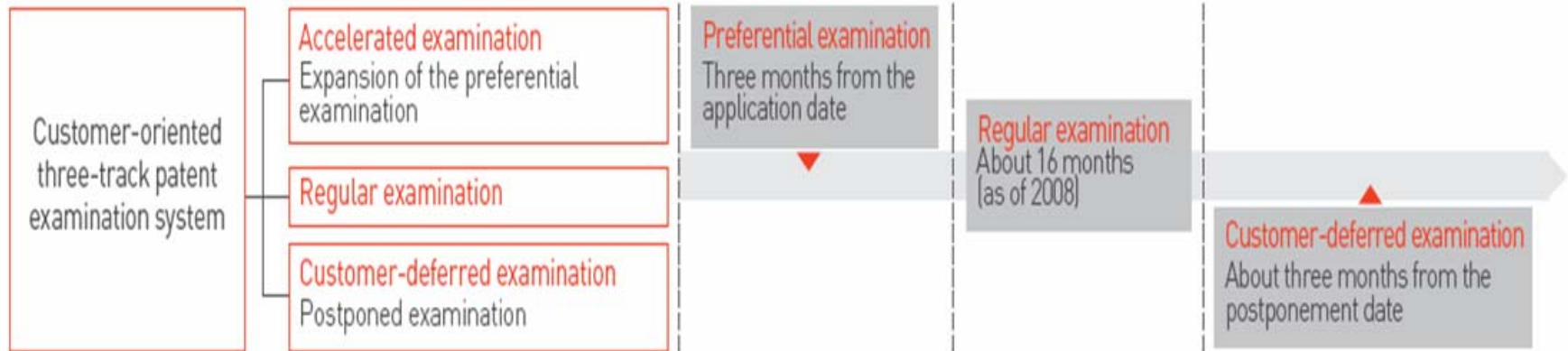
KIPO expanded a budget and Increase the number of examiner with advanced technical qualifications by extended recruitment (Technical experts and PhDs). At the end of the year 2008, totally 1,511 staffs were employed totally, of which 659 were patent and utility model examiners (approximately 44% of the total)

# Customer-tailored three-track examination system



Applicants are no longer obliged to accept a uniform examination period but, depending on their patent strategy, can choose one of the following three examination tracks:

Accelerated	applicants who wish to acquire a patent right as soon as possible (2~3 months)
Regular	normal examination flow (16 months)
Customer-deferred	applicants who need more time for commercialization (nominate when they want their applications to be examined)





# Disposal capability

Considering significant backlog, KIPO has tried to enlarge disposal capability by greater recruitment of qualified examiners over a decade ago. The decline of disposal capability since of the year 2007 is attributable to a policy to improve examination quality.

Outsourcing of patent application searching has been rapidly increased over the past few years. KIPO outsourced 71.9% of patent application searching in the year 2008.

	2004	2005	2006	2007	2008
Examiner(individuals)	558	728	727	660	655
Disposals(case)	151,793	180,432	240,665	143,554	109,313
Disposals per man(case)	272	248	331	218	167
outsourcing(case)	78,020	78,824	80,825	74,432	78,593
Outsourcing ratio(%)	51.4	43.7	33.6	51.8	71.9

※ Outsourcing ratio=(number of outsourcing/disposal)\*100



**Thank you!**