

A faded, light gray world map serves as the background for the slide. The map is centered on the Atlantic Ocean, with the continents of North America, South America, Europe, and Africa visible. The text is overlaid on this map.

# **FICPI 15<sup>TH</sup> OPEN FORUM 2014**

## **Redesigning the Client - A view from Asia**

**Young-Wook Ha  
President  
FICPI-Korea**

# **Contents**

**I. Cultural and business background in Korea**

**II. Issues in dealing with Larger Clients**

**III. SMEs**

**IV. Universities and Government Sponsored Research**

**V. Q&A**

# **I. Cultural and business background in Korea**

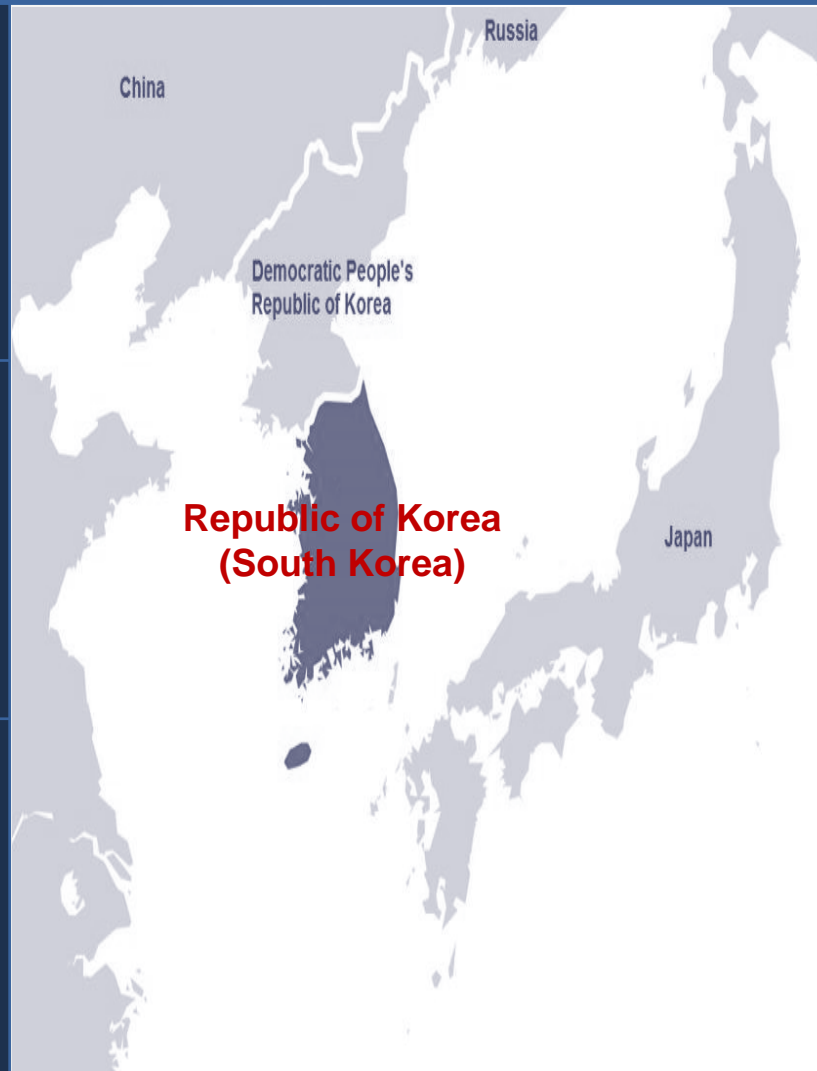
# Cultural and business background in Korea

## • Two faces of Korea

**Trade volume**  
: World's top 8

**R&D investment**  
: World's top 6

**Patent Application**  
: World's top 4





**Technology trade balance**  
: the lowest of OECD countries

**Annual average of corporate IP investments**  
: about USD 150,000

**Patent invalidity rate**  
: at least 60%  
**Patent infringement acknowledgement rate**  
: 20% at most



# Cultural and business background in Korea

- Conventional IP environment in Korea

Low IP costs (domestic filing)	Unilateral corporation-attorney relationship	IP manpower /education shortage
No time charge	Corporation = user, client Attorney = subcontractor, service provider <b>≠ mutual partnership</b>	Corporations hiring IP professionals or staffs : approx. 19.2%
Attorney Fee : Filing Fee (USD 500~800) + Success Fee		Most corporate researchers lack understanding of patent infringement, scope of patent rights, etc.
Attorney Fees for handling OA : USD 300 at most		

# Cultural and business background in Korea

- Recent changes of IP environment in Korea

The shock of Samsung-Apple infringement suit	Government driven IP policy reinforcement	Corporate IP strategy Quantity → Quality	Law schools
Astronomical compensation - a great shock to the KR government and domestic corporations	Enactment of IP fundamental laws Establishment of Presidential Council on Intellectual Property	Focus on the quality of the patent rather than the number of applications	Dramatic increase in the number of lawyers - 20 thousand lawyers
	Promotion of R&D for obtaining IP, IP related service industry		Increase in small/mid-sized enterprises recruiting lawyers/patent attorneys → reinforcing IP adaptability

## **II. Issues in dealing with Larger Clients**

# Issues in dealing with Larger Clients

- **Issues in building relationship with large corporations**

- **Fully equipped with Internal patent system and outsourcing service pool**

- **Difficult for new patent firms to introduce themselves**

- **Makes own decision for patent strategy and selection of attorney (prefers amenable attorneys)**

- **Difficult for attorneys to provide professional input**

- **“Super Client”**

- **Unilateral decision of attorney’s service fees to a non profitable level**

- **Controls staff inside the attorney’s firm**





# Issues in dealing with Larger Clients

- **How do we respond?**

- Hire professionals familiar with international practice
- Hire American attorneys
  - interview with inventors in English
- Appeal advantageous and differentiated services
- Sensitively cope with client's needs
- Continuously persuade that cost-bearing is necessary in order to secure the quality of the patent
- Be prepared to file English applications directly to the EPO, USPTO



# III. SMEs

# SMEs

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- **Issues in building relationship with SMEs**

- **Selection of attorney**

→ Determined by acquaintance with the CEO or IP director

- **Lack of professional manpower**

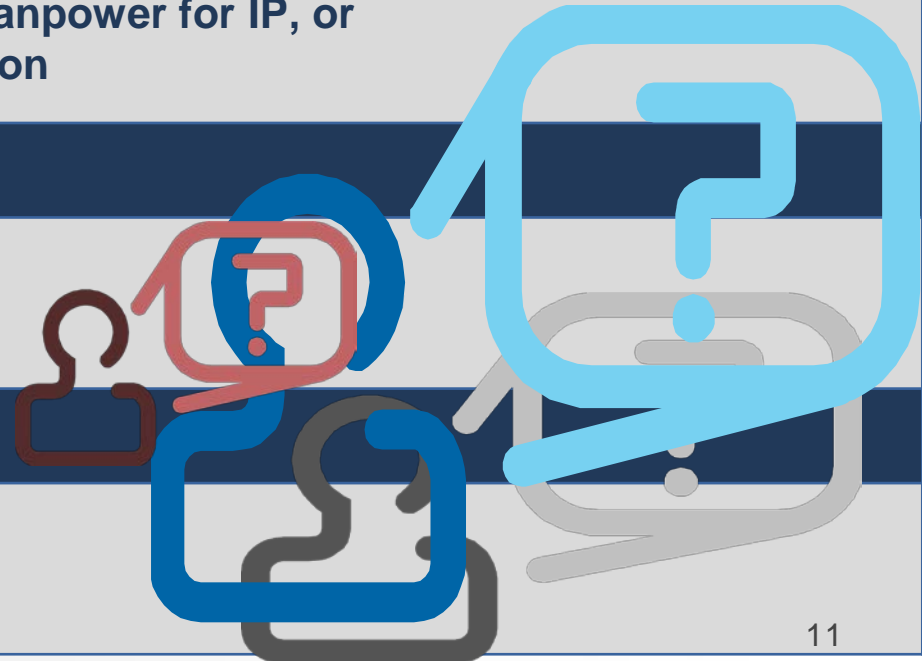
→ SMEs usually do not have exclusive manpower for IP, or a one-man team runs the whole operation

- **Difficulty of securing budget**

→ IP related budget is considered irrelevant to substantial sales

- **Lack of education**

→ Researchers are seldom provided with IP related education at company level



# SMEs

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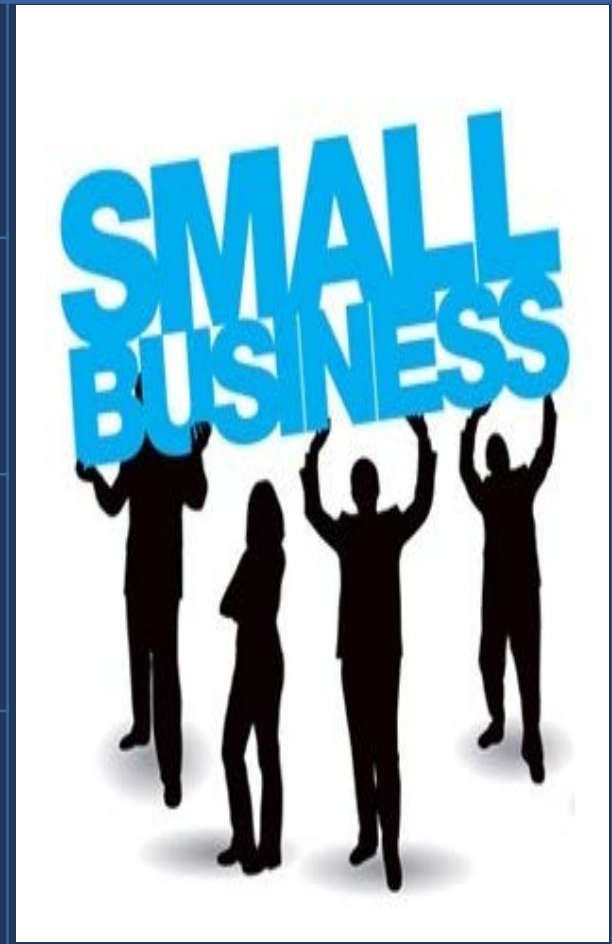
- **How do we respond?**

- Necessary to maintain close professional relationship not only with IP director, but also with the CEO

- Establish a relationship and occupy a position to provide continuous IP education and consultation

- Utilize employees with corporate legal/patent team experience

- Emphasize the importance of IP
    - persuade the necessity of securing IP related budget



## **IV. Universities and Government Sponsored Research**

# Universities and Government Sponsored Research

- **Issues in building relationship with Universities and Government Sponsored Research**

- **Lack of utilization**

→ IP system is generally well made, but only a little number of IP is actually utilized

- **Preference**

→ Prefers technological value over commercialization

- **Selection of attorney**

→ Usually selects/changes attorney through competitive bidding

- **Limitation**

→ IP organization is operated under limited foundation/ government budget



# Universities and Government Sponsored Research

- **How do we respond?**

- **Comprehensive understanding of pertinent field of art (utilize employees with master/doctor's degree)**

- **Maintain constant contact with professors/researchers**

- **Substantial countermeasure related to technology transfer and commercialization is necessary**

- **Strengthen the ties with foreign IP transaction experts**



# Q & A



A photograph of two hands shaking in a firm grip, symbolizing agreement or partnership. The hands are positioned in the center of the frame. The background is a light gray world map with a soft, out-of-focus effect. The text 'THANK YOU' is overlaid on the left side of the image.

**THANK YOU**