

**Object Identifier****Korean Mobile RFID Tech Becomes Int'l Standard**

At the international standardization meeting of ISO's JTC1/SC6, which controls international standards for information and telecommunications fields, Korea-suggested OID (Object IDentifier) technology was adopted as international standard on April 30, receiving active support from the United States, the U.K., France, China, Japan, etc., according to KATS.

The adopted mRFID-based application service, OID, is a new technology enabling utilization of RFID tags at mobile communication terminals. With launch of the service, it is possible to see information in hands, such as RFID tag-attached goods and cultures, through mobile communication terminals.

At present, domestic mobile communication firms, SKT, KTF, etc., are operating mRFID-utilized test services like wine information service and taxi safety service. The services are project to expand gradually to tourism and food fields.

The technology, which was developed by the Electronics and Telecommunications Research Institute (ETRI), was adopted as identical standards concurrently by WTO-recognized two official international standardization organizations, ISO and ITU (International Telecommunication Union). Therefore, Korea has prepared a firm bridgehead to advance into the global market as well as to cover domestic market estimated at about 700 billion won in 2010.

The standard suggested by Korea was 'Information Technology - Open Systems Interconnection - Procedures for the operation of OSI registration authorities - Part x: Registration of identification schemes for ID-based applications and services (including RFID).'

Meanwhile, in the use of RFID smart cards, the Korean Electronic Payment Industry Association KEPIA are facilitating the development of a new standard which will be backwardly compatible with the others, and which can be used in any Asian country. Setup in June this year, the system has



been aptly named "Silk Road". Already Korea, Japan, China and Singapore have subscribed to developing this and KEPIA tell IDTechEx that Taiwan, Indonesia, Malaysia, Thailand and India have agreed to join the effort.

A test bed for the technology has already been identified in Jeju island in Korea. This is a popular tourist resort from citizens of China, Japan and Korea, particularly because it does not require visitors to have a visa. The trial will include using the contactless card for transportation, small monetary payments e.g. in shops and hotels, parking and entrance to shows and museums.

USD\$20 million has been allocated to finance the trial. Jeju island does not currently have any existing RFID systems which will need to be installed. KEPIA inform us that their biggest challenge in progressing this standard will be meeting the payment legislations of the country the system is used in - each country has different requirements - and ensuring full backward compatibility with the existing systems.

## KES 2007 China Roadshow Held

On April 12, KEA held 'KES 2007-China Roadshow' in Shenzhen, China, in order to stimulate participation of foreign electronics companies in KES 2007 and also to facilitate the take-off of KES toward a global electronics and IT exhibition.

About 100 leading electronics firms, including TCL, Konka, Skyworth, etc., and 30 major local news media attended the roadshow, demonstrating the keen interest in KES, which is growing into an electronics show that represents all of Asia.

At the roadshow, KEA explained its plan to hold KES 2007 and the exhibition's medium and long-term vision amid the participation of the association's Executive Vice Chairman Lee Gam-Yeol.

On the occasion of the 15th anniversary of the establishment of Korea-China diplomatic relations and the 'Year of Korea-China Exchange,' KEA expressed hope that the roadshow would provide momentum to widen the breadth for understanding of the electronic industries of the two countries and KES.



The KES 2007 roadshow, which is focused on key overseas footholds, was held in China for the third time following Taiwan in early April and the one held during CES in Las Vegas, U.S.A., in January as the start.

KEA plans to continue active marketing efforts for globalization and upscaling of KES. Through vigorous marketing that targets Chinese electronics companies, KEA expects more than 100 Chinese firms to participate in KES 2007, up from 73 firms in 2006.

## KORUS FTA Negotiation Impact on Electronics Ind.

With invitation of about 200 persons from electronics firms and related organizations in Daegu-Gyeongbuk Province on April 19, KEA explained the results of the Korea-U.S. FTA negotiations and the potential impact on the electronics industry and introduced the government's support policies for the industry at Gyeongbuk SME Support Center in Gumi City.

As an industry taking the lead in the national economy, the Korean electronics industry exports 70% of its total production, accounting for about 36% of the nation's total exports, and also surpassed US\$100 billion in annual exports for the second consecutive year for the first time as a single industry. The electronics industry's exports in 2006 exceeded US\$115 billion, more than 35% of the nation's total exports.

The reason why KEA held the explanatory session in

Gumi was because the city is regarded as the center of Korea's electronics industry, with a 22.3% share of the nation's total electronics exports.

According to an analysis of the concluded KORUS FTA negotiation, concerns about certain items exist. However, most of the items, including semiconductors, communication equipment, computers, etc. in the Korean and U.S. electronics industries have a complementary relationship, so benefits are expected for both countries.

Results of a questionnaire surveying domestic electronics firms also showed that approval and positive expectations were by far dominant. Therefore, the Korean electronics industry is expected to utilize the FTA conclusion as an opportunity for its advancement by maximizing the effects of the agreement.

## Seminar on U.S. Patent & ITC Lawsuits

The International Patent Assistance Center (iPAC) of KEA has been implementing activities to enhance corporate and national competitiveness through active response to international patent disputes.

As part of the activities, the center plans to hold a seminar on May 31 at the International Conference Room of Seoul Trade & Convention (SETEC) in southern Seoul, inviting experts from the United States.

This seminar is designed to help domestic firms better understand practical business processing methods regarding patent and ITC lawsuits in the United States and suggest countermeasures in preparation for the recently concluded Korea-U.S. FTA negotiations.

## EuP Directive-Response Seminar

On May 11, KEA held a 'Seminar on the Establishment of Infrastructure in Response to the EU's EuP Directive' at the Seoul Kyoyuk Munhwa Hoekwan, with invited experts directly involved in the EuP implementation projects.

Directive 2005/32/EC on the eco-design of Energy-using Products (EuP) will go into effect in 2008. KEA is presently working to establish EuP Directive-response infrastructure as part of the national clean production support project and earlier suggested environment-friendly design guidelines.

The themes presented by the EuP experts were 'Status of Europe's EuP Implementation Plans' by Kris Pollet, Director for EU Law & Policy/Pollet Environmental Consulting; 'Status of EuP-Response Infrastructure Establishment Projects' by Team Manager Kang Hong-Shik of KEA; 'EuP Status and Requirements for Manufacturers' by Prof. Lee Keun-Mo of Ajou University; and 'Enterprises' EuP-Response Status' by General Manager Hwang Jong-Soo of Samsung Electronics.

## Survey & Analysis of Overseas Patent Infringements

Recently foreign advanced enterprises and patent rights holders, which have secured original core technologies, are intensifying offensives against domestic export SMEs, attempting to exclude late-advancing firms from the market, withhold import customs clearance, file indiscriminate lawsuits, etc.

With the support of the Ministry of Commerce, Industry and Energy (MOCIE), therefore, the International Patent Assistance Center (iPAC) of KEA conducted 'Export SMEs' Overseas Patent Infringement Survey and Analysis.'

The project was designed to suggest ways to respond to patent infringements after identification of technologies applied to products, comparison & analysis of whether similar patents of foreign advanced enterprises were infringed or not and diagnosis of possibilities for dispute.

In 2007, KEA also plans to conduct the patent infringement survey and analysis, soliciting member companies to participate in the project.

## Mobile Phone Businesses Workshop Held

The Korean mobile phone business community is experiencing a difficult management environment due to increasing royalty fees caused by foreign companies' continued patent offensives, worsening profit structure due to an unfavorable won-U.S. dollar exchange rate, etc.

In efforts to review the management environment, establish support measures from a government perspective and also identify ways for cooperation among the business community, KEA held a workshop May 17~18 at Ocean Castle on Anmyeon Island, Taean-gun, Chungcheongnam-do.

## Samsung, Microsoft Strike Patent Deal



companies' consumer electronics lines.

The deal will give Samsung Electronics

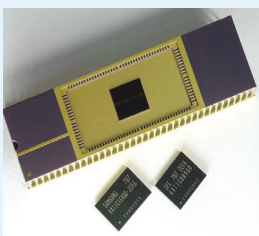
and Microsoft access to each other's patents for existing and future inventions in categories including computers, televisions, digital video recorders and digital media players.

Financial terms were not disclosed, but the companies said in a joint news release that both will receive payments for past and future inventions. Microsoft and Samsung said that the pact will speed up product

development.

The Samsung Electronics' agreement and other recent deals show how the world's largest software company has become more open to sharing technology and intellectual property in recent years, said David Kaefer, a Microsoft general manager for intellectual property licensing at Microsoft.

## Korean Companies with No. 1 Market Share



global companies leaving disgraceful nickname 'for domestic only' behind, based on their effort of localizing equipment.

Regardless the difficulties, such as the pressure for the semiconductor & LCD price reduction and decrease in investment for the facilities, companies with No. 1 market share appear one after

another. In addition, as export exceeds domestic demand, profitability has improved significantly as well.

According to the industry, after DI Corporation has achieved No. 1 market share, DMS and PSK also have achieved No. 1 market share in High Density Cleaner for LCD and Asher for semiconductor area, respectively. DI Corp has become solid No. 1 in the Burn-In Tester market with around 50% market share.

DMS and PSK went ahead of domestic/foreign competitors by recording over 30% market share in HDC (High Density Cleaner) for LCD and Asher for

semiconductor in the first quarter. Especially, two companies' export exceeded domestic demand in the first quarter. DI's export also takes up over 45%, and in the second half when the supply for Semiconductor Company begins, its export is expected to be up to 60%.

Jusung Engineering Co., Ltd has made 70% of its sales in the first quarter from overseas market owing to an increase in equipment export, such as LCD CVD (Chemical Vapor Deposition) and semiconductor ALD (Atomic Layer Deposition), and recorded sales amounting to 60.5 billion won, which is the largest amount in its history.

## Korea Discount Still Alive



Japan, Europe and the U.S., according to a study sponsored by the Ministry of Commerce, Industry and Energy and carried out by the Institute of Industrial

Policy Studies (IPS).

About 2,800 men and women aged between 18-70 were surveyed in 21 countries to understand how overseas consumers evaluate national brand quality.

Respondents were shown a Korean product or service worth US\$100 and asked to appraise the value as if it were from Germany, Japan, the U.S. or China.

The result was that the respondents priced German product the highest at US\$155, followed by a product of Japan at US\$148.70, America at US\$148.60 and China at US\$71.20.

A significant number of those polled in Europe and Asia identified Korea's image as 'dynamic' and 'high-tech,' and those from North and South America also answered 'high-tech,' along with 'honed specialty.'