


Current Practice of Disposal of IP-infringing Goods in Korea

- Focus on K-eco's Confiscated Goods Recycling System -

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Korea Environment Corporation



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Legal Framework



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ESM of Infrastructure



About K-eco



Ministry of Environment of the ROK

Ministry of Environment

Planning &
Coordination
Dept.

Environmental
Policy Dept.

Water
Environment
Management
Bureau

Nature
Conservation
Bureau

Resource
Recirculation
Bureau

National
Ecological
Institute
Planning
Office

Affiliates

 **Keco**
Korea Environment
Corporation

 **K.N.P.**
KOREA NATIONAL PARK


SUDOKWON Landfill Site
Management Corp.

 **KEITI**
Korea Environmental
Industry & Technology Institute



History of Keco

Sep.
1980

Founded the Korea Environment & Resources Corporation
(Jul. 2004 : Renamed to ENVICO)

Mar.
1987

Founded the Environment Pollution Control Agency
(Nov. 1987 : Renamed to EMC)

Aug.
2008

Decided to Merge ENVICO & EMC
As the Secondary Public Utility Advancement Project

Feb.
2009

Enacted and Promulgated
the “Korea Environment Corporation Act”

Jan.
2010

Founded the Korea Environment Corporation(Keco)

Background and Objectives of the Establishment

Environment-friendly national development

Pollution prevention,
environment improvement
& resource recirculation

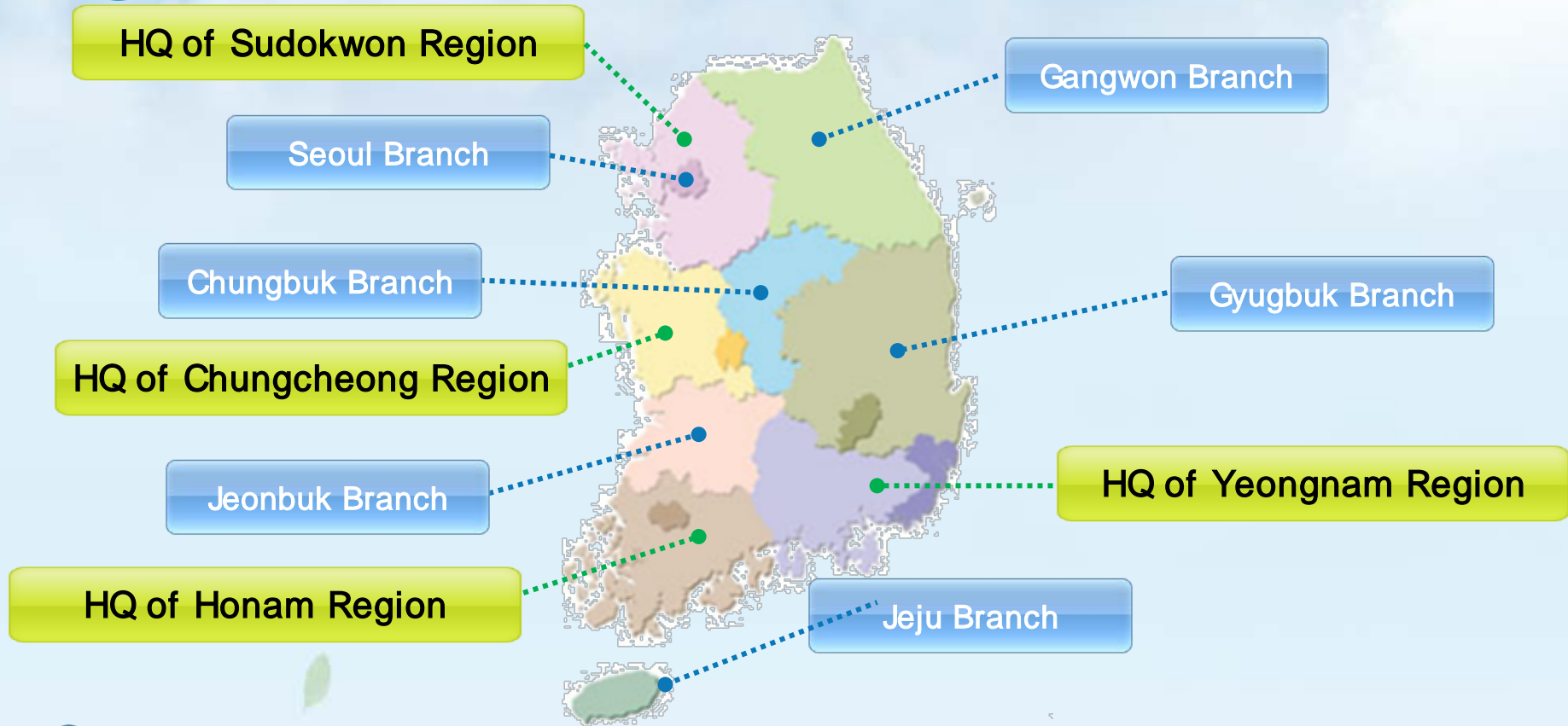
Environment conservation
& establishment of a
circulatory resource
managementsystem



Establishment of **KECO**

Korea Environment Cooperation Act : Article 1 (Basis) The purpose of this present act is to establish the Korea Environment Cooperation (KECO), in an effort to handle environment-related projects, such as pollution prevention, environment improvement, and recirculation, with maximum efficiency and to establish a circulatory resource management system, while also presenting an environment-friendly blue-print for national development.

Regional Organization of K-eco



 **Employees**
: 2,018 persons



56 Ph.Ds



85 Professional
Engineers



359 Masters



1,573 Engineers

Five Core Businesses of K-eco



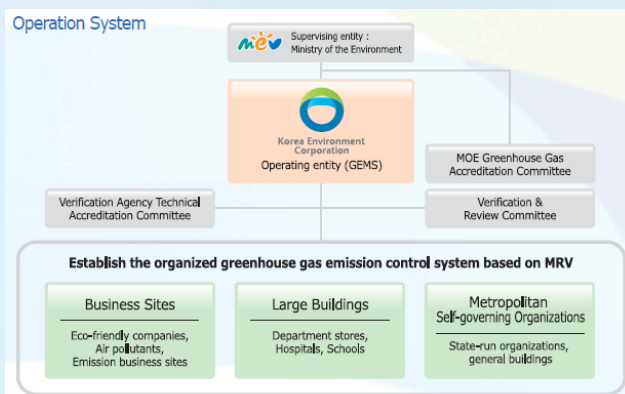


Climate Change Response & Greenhouse Gas Reduction



Support Policies on the Activities to Reduce Greenhouse Gas

Operation System



Reinforce Competencies to Respond to Climate Changes

Number of Households Acceded to the Carbon Point Program

Joined by approx. 200 basic self-governing bodies (as of April 2010)

Single family houses etc.	Apartment complexes	Participating households
188,389	407,447	595,836



Water Environment Improvement



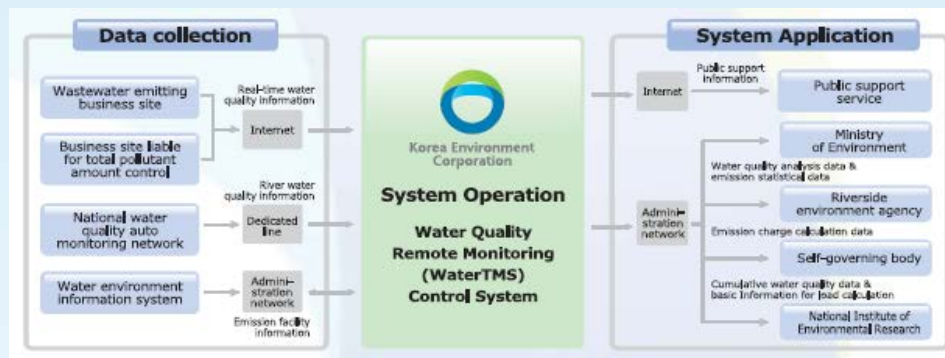
Water Quality Conservation Support for the Four Major River Restoration Project



Ecology Restoration & Contaminated Soil & Subterranean Water Purification



Install & Support/Improve & Expand Waterworks/Sewerage Facility






Establishment of Circulation-based Resources Management System



Administer & Manage the Resources Recirculation System

Design Example	Display Character	
 Separate Discharge	Plastic Metal Carton Glass	PET / HDPE / LDPE / PP / PS / PVC / OTHER Iron / Aluminum Carton / Carton Pack Glass



Waste Management / Resource Recirculation Project





Establishment of Circulation-based Resources Management System



Waste Resources & Biomass Energy Project



Resource Circulation Facility Installation & Management





Environmental Public Health Service



Living Environment & Public Health Project



Tele-monitoring System in the Ambient Air / Noise





Environmental Public Health Service



Automotive Environment Management



Chemical Substance Control / Inspection / Examination / Testing / Analysis



Inspection Period

Type of Facility	Target Facility	Type of Test	Period
Waste landfill facility	Every landfill facility	Installation test	Before use after the installation
		Regular Test	Every 3 years after the first year passes
Waste incinerator	Over 25kg / hour	Installation test	Before use after the installation
		Installation test	Every 3 year
Food waste treatment facility	Over 100kg / day	Installation test	Before use after the installation
		Regular Test	Every year



Supporting Policies & Environment Industry



Financing & Private Investment Support



Project Type

Private-Invested Lease Project on Sewage Pipe Organization (BLT: Build Transfer Lease)

The private sector builds a state-run facility, and leases it from the government to reimburse their investment.

Private-Invested Profit Project on Environmental Facility (BTO: Build Transfer Operate)

The private sector procures the finance to design and build the social infrastructure. Upon completing the project, the ownership of it is transferred to the nation or the self-governing body so that the contractor can reimburse the investment for the management rights of a certain period.



Policy Research & Development Supports



Global Environmental Cooperation Project

About K-eco's Confiscated Goods Recycling System



Background and Objectives of the Business



Background

- Due to **massive increase of confiscated goods** from gambling games companies resulted in the lack of capacity for storing and processing.
- K-eco contracted MOU to **the Prosecution** (Sep. 2006) and **Nat'l Police Agency** (Oct. 2006)



Objectives

- **Efficient disposal of confiscated goods** by using K-eco's resources - facilities, vehicles, labors, etc.
- **For Low-carbon, Sustainable Development** by recycling confiscated goods as the natural resources



History of the Business

2006.9
~12 Submitted a proposal for recycling of confiscated goods, and started the pilot project

2007.3 Signed an agreement with the Nat'l Police Agency to settle Transporting·Storing·Disposing & Recycling System of Confiscated Goods (TSDRSC)

2007.5 Signed an agreement with the Ministry of Culture, Sports and Tourism about (TSDRSC)

2007.7 Took over illegal-oil-treatment jobs from Korea Oil Pipeline Corporation

2009. 2 Designated as the organization for Bailment·Storage·Disposal & Auction of Confiscated Goods by the Supreme Prosecutors' Office

2009.7
~2011.1 Building and operating advanced CGMS(Confiscated Goods Management System)

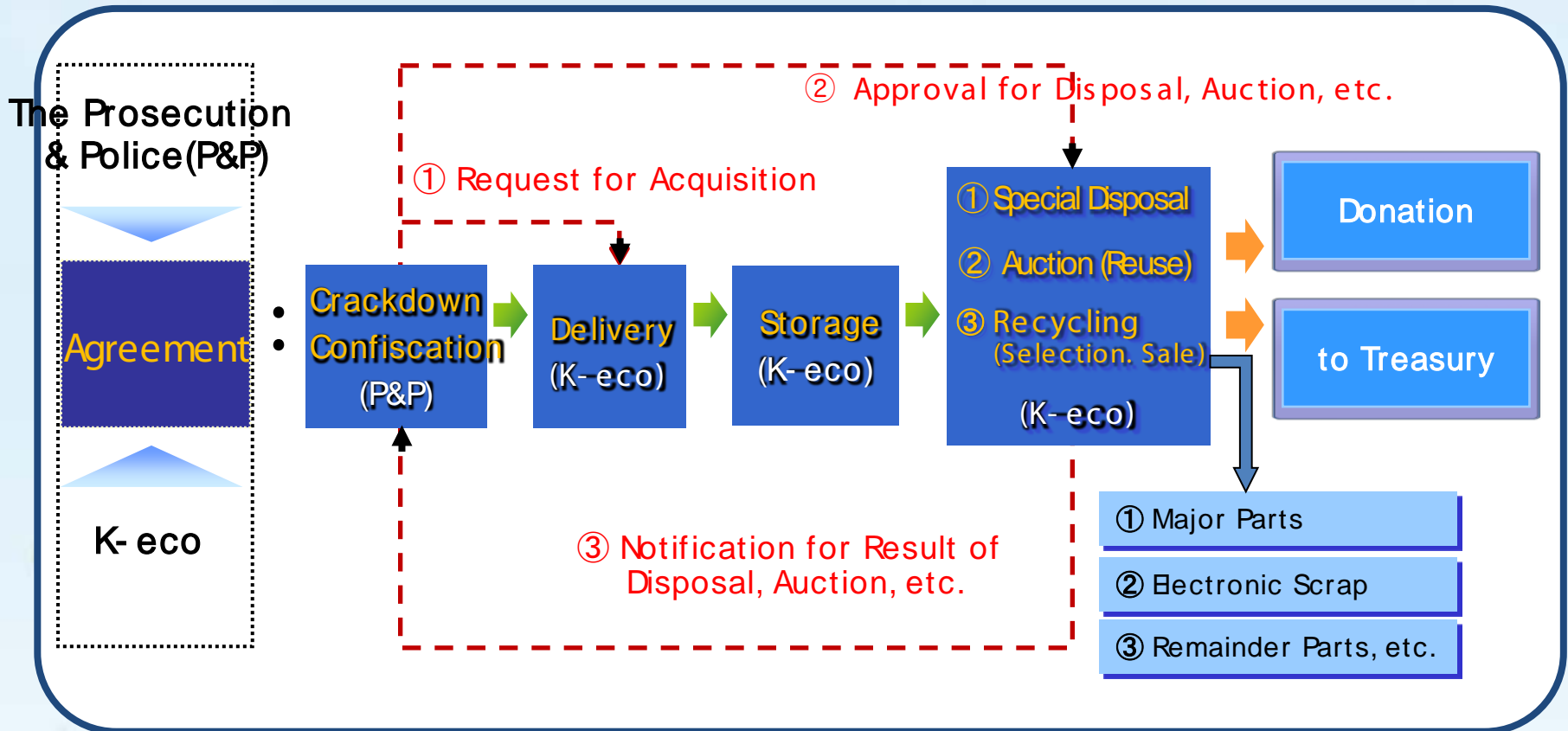
2012.5 Preparing Legal Basis(Act of K-eco, Article 17-1)

2012.5 Signed an agreement with the Nat'l Police Agency to drive Transporting·Storing·Disposing & Recycling of Confiscated Goods

Flow of System



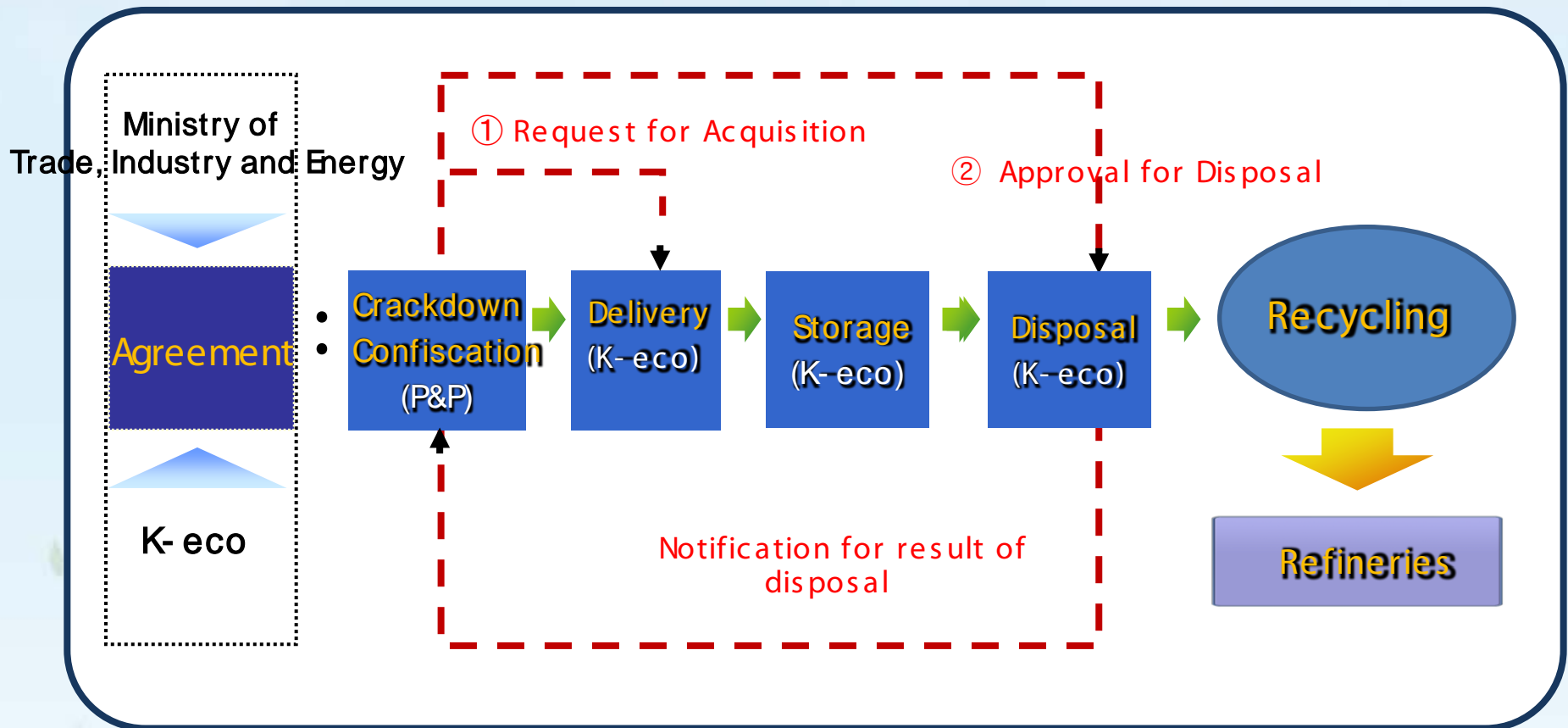
Illegal Game Machines and PC's



Flow of System



Illegal Oil Products



Flow of System



IP-infringing Goods

The Prosecution
& Police
(P&P)

Agreement

K-eco

Approval for Disposal from the Prosecution

Crackdown
Confiscation
(Police)

Storage
(Police)

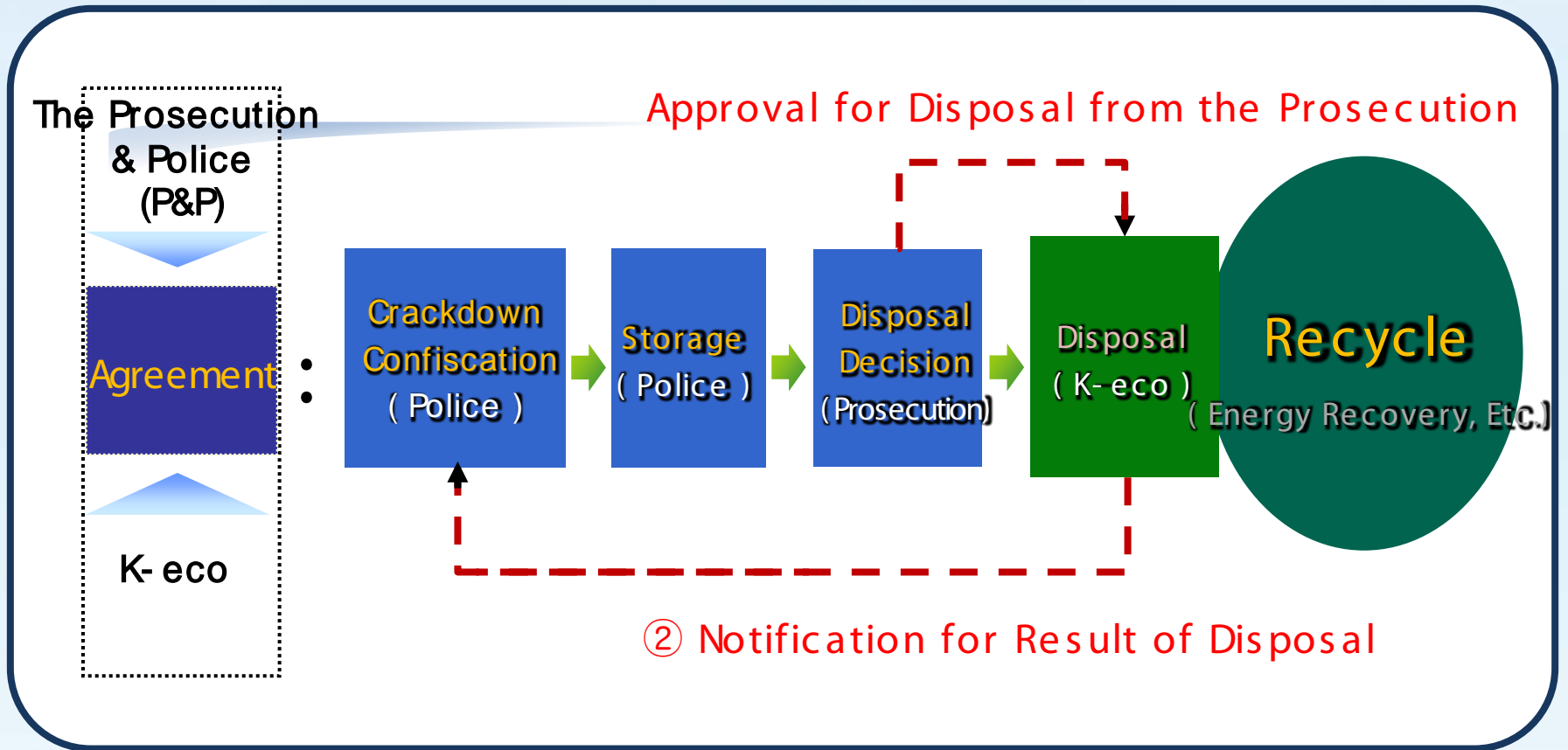
Disposal
Decision
(Prosecution)

Disposal
(K-eco)

(Energy Recovery, Etc.)

Recycle

② Notification for Result of Disposal



Disposal Process by Type of IP- Infringing Goods



Type of IP-Infringing Goods

- Toys, Tools, **Clothes**, Hats, Bags, Wallets, **Shoes**, Belts, etc.



Disposal Process

- **Toys, Tools, etc. :** To Eligible recycling companies (**by Decomposition & Selection**)
- **Clothes, Leathers, etc. : Energy Recovery** (Criteria out of Waste Control Act, Article 3 of the Enforcement Regulations)
- **Illegal Liquor(Fake liquor): Treated as Wastewater Processing**
(Pursuant to the Treatment Agreement about Undrinkable Products under the Liquor-Taxation) Regulations(Article 63)

Legal Framework

The background of the slide is a composite image. It features a bright blue sky with soft white clouds. In the foreground, there are rolling green hills. A white path with a black railing winds through the hills. Two white wind turbines are positioned on the right side of the hills. Several green leaves are shown floating in the air, as if caught in a breeze. On the left side, there are three bubbles: one containing a pink flower, and two empty ones. There are also several sparkling light effects scattered across the scene.

Legal Basis for IP- infringing Goods

- Enforcement Decree of The Trademark Act

- Article 97-2 Confiscation Regulations

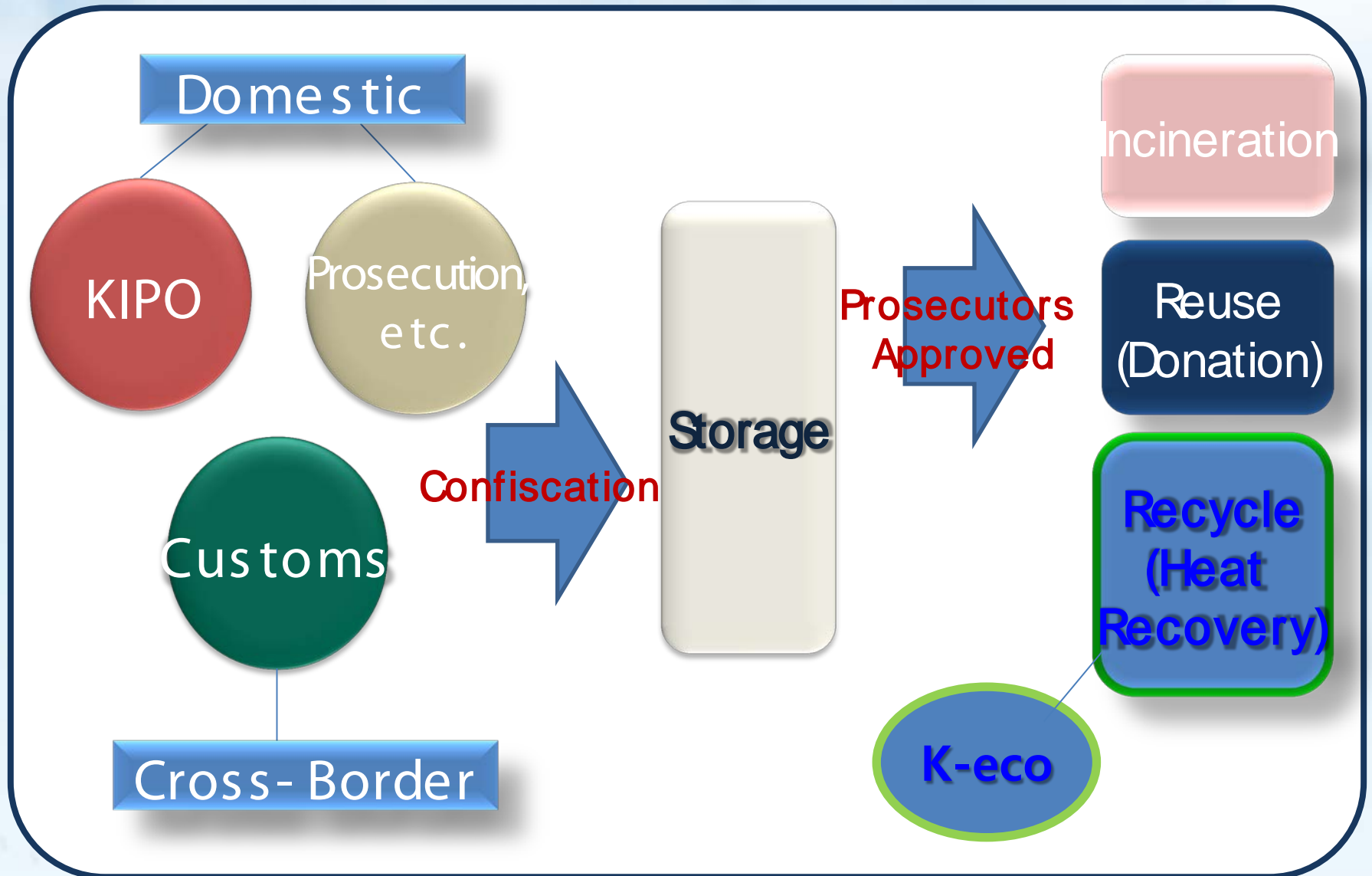
- Enforcement Decree of The Patent Act
- Enforcement Decree of The Unfair Competition Prevention and Trade Secret Protection Act



Enforcement Agencies

- Prosecution
- Police
- **Customs**
- **Intellectual Property Office (Special Judicial Police for Trademark Control)**
- Municipal Government

Flow of IP- infringing Goods Control



Disposal of IP-infringing Goods in Korea





Reuse (Donation) of IP- infringing Goods

- The Case of Korea Customs Service-

- In Principle, All the Confiscated IP-infringing Goods by The Trademark Act must **be Incinerated or Recycled**
- Since 2005, The need of Reuse of IP-infringing Goods has emerged

➡ **The Free Donation of Confiscated Goods Movement**



Reuse (Donation) of IP- Infringing Goods

- The Case of Korea Customs Service-

Implementation Procedures



※ The prosecutor strictly selects the items with no possibility of trademark infringement.



Reuse (Donation) of IP- Infringing Goods

- The Case of Korea Customs Service-

- Merit of Reuse of Confiscated IP-infringing Goods
 - **Disposal Cost Saving**
 - **Waste of resources**
 - **Preventing Environmental Pollution**
 - **Supplying Employment to the Underprivileged**
- Since 2011, Reuse Amount is Recently Declining due to Design Trend



Reuse (Donation) of IP- Infringing Goods

- The Case of Korea Customs Service-

<Annual Amount of IP-Infringing Goods Donation>

Year	Times	Q'ty(EA)	Type	Donated to
2009	26	62,242	Shoes, Clothes	Mongolia, Cambodia, St. Lazarus Village
2010	21	73,557	Shoes, Clothes	Vietnam, Multicultural Family Support Centers
2011	11	27,512	Shoes, Clothes	Laos, Korea Wounded Soldiers and Policemen Association, Nursery Schools, etc.
2012	6	7,700	Clothes, Jeans	Community Welfare Centers, Rehabilitation Centers, Municipal Governments, etc.



Recycle of IP- infringing Goods

- The Case of K-eco -

- Contract with the Public Prosecutor's Office in 2007
 - Carry, Storage and Disposal of IP-Infringing Goods
- The Types of IP-Infringing Goods
 - **Toys, Tools, Clothing, Hats, Bags, Wallets, Shoes, Belts, Etc.**
- Disposal of IP-Infringing Goods
 - Entrust and Control **the Recycling Companies that meet the Criteria for Energy Recovery Based on Waste Control Act**



Recycle of IP- infringing Goods

- The Case of K-eco -

<Annual Amount of Energy Recovery of IP-Infringing Goods >

Unit : Each

Criteria	Acquired				Recycled (Energy Recovery)			
	2009	2010	2011	2012	2009	2010	2011	2012
Q'ty Of Goods	318,673	182,049	304,807	121,267	265,284	273,656	255,328	134,045

ESM of Infrastructure (Based on Waste Control Act)





Criteria for Incineration Facilities

✓ Based on Waste Control Act

facility	<i>description</i>
Laboratory	- Required
Incinerators	- More than two tons per hour of Disposal Capacity
Storage Facilities	- The vessel or facility which can store the amount of the waste which is from 10 times to 30 times of the daily treatment capacity
Measuring Facilities	- More than 1 set
Atmospheric Facilities	- More than 1 set of facility which can properly measure and analyze sulfur dioxide, hydrogen chloride, nitrogen oxides, carbon monoxide
Vehicles	- More than 1 vehicle for collecting and carrying waste
Professional Engineer	- Waste treatment industrial engineer/ Atmospheric environmental industry engineer



Recycling methods and guidelines

- Energy Recovery **from Flammable Combustible Solid Waste**
 - More than 3,000 Kcal of LHV(Lower Heating Value)
 - More than 75% Energy Recovery Efficiency
- With Flammable Combustible Solid Waste or Organic Waste
 - to make **Solid Fuel Product**
 - to make **Energy Recovery** by means of **Anaerobic Digestion, Refining**
- Used as Fuel for **Cement Kilns which is designated by Minister of the Environment**

✓ Based on Waste Control Act



Facility of Energy Recovery

(In Case of Sam Jung Pulp. Ltd)

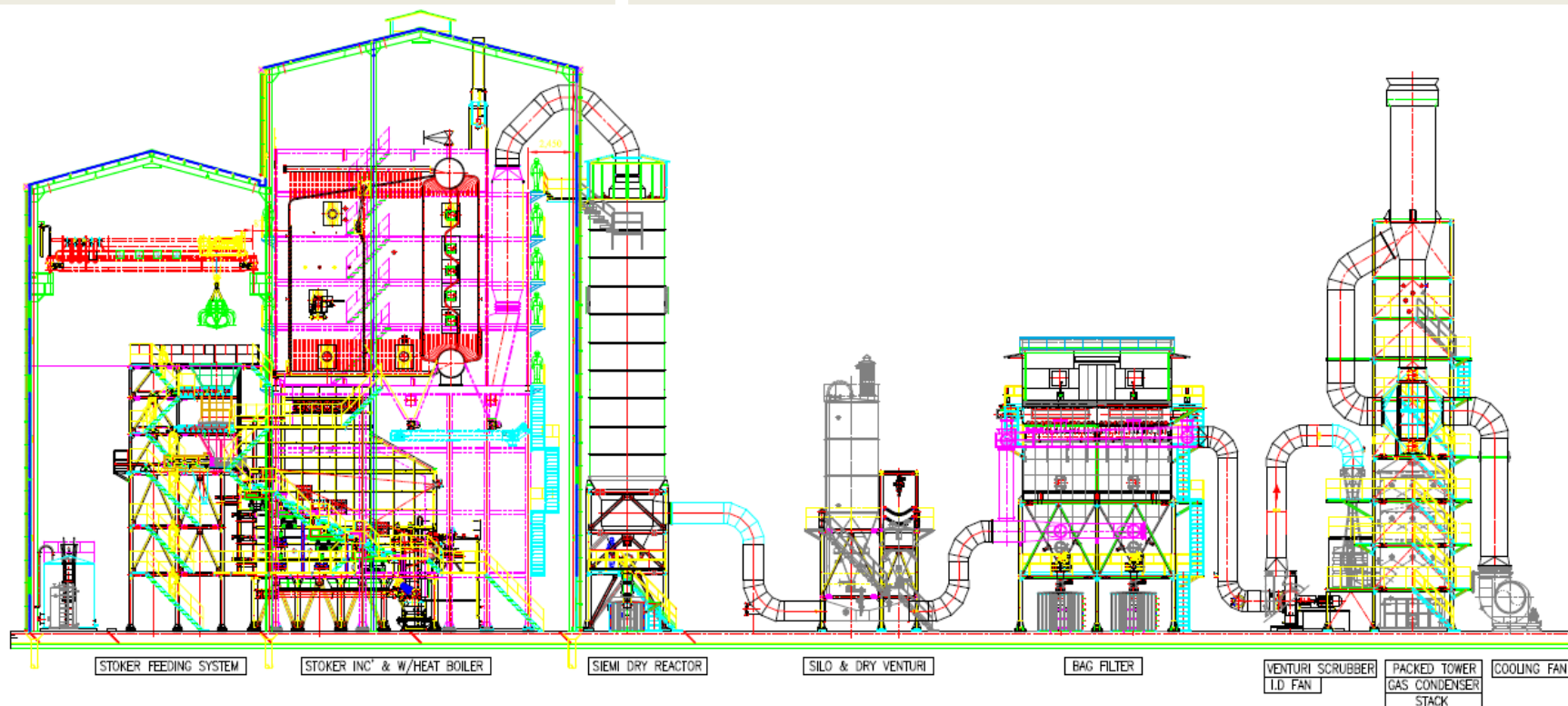
- **Name of Company** : Sam Jung Pulp Ltd.
- **Location** : Pyong-Taeg City, Gyong-Gi Province, Korea
- **Type of Facility** : Energy Recovery Facility
- **Disposal Capacity** : 3,000 kg per Hour (72tons/day)
- **Prevention Equipment** :
 - Selective Non-Catalytic Reduction(S.N.C.R) – 200L/HR
 - Semi-Dry Dust Cleaning Facilities(S.D.R) – 1,669m³/MIN
 - Dry VENTURI – 1,443m³/MIN
 - Bag Filter – 1,427m³/MIN
 - VENTURI Scrubber – 1,398m³/MIN
 - Packed Tower – 1,276m³/MIN

Facility of Energy Recovery

(In Case of Sam Jung Pulp. Ltd)

Incinerator: Vertical Merge Boilers

Air Pollution Prevention Facilities and Chimney



- Complete combustion of waste (CO Removal)
- Dioxin precursor decomposition
- Nox Removal
- PIT odor Removal(Combustion air supply)
- Steam energy production

- Acid gas removal(1st)
- Dust removal(1st)

- Acid gas removal(2nd)
- Dioxin removal(1st)

- Dust removal(2nd)
- Acid gas removal(3rd)
- Heavy metals Removal (1st)

- Acid gas removal(4th)
- Dust removal(3rd)
- Dioxin removal(2nd)
- Heavy metals Removal (2nd)
- Ammonia and odor Removal
- Preventing white smoke



Facility of Energy Recovery

(In Case of Sam Jung Pulp. Ltd)





Keco
Korea Environment
Corporation



Korea Environment Corporation, Closer to Nature, Closer to People

Thank you for your attention!

Unit : Each / The Case of Special Judicial Police

Rank	Brand	Shoes	Clothes	Bags	Glasses	Accessories	Jewelry	Watches	ornament	Others	Total
11	컨버스									3,000	3,000
12	폴로	50	1,697							1,000	2,747
13	구찌	195	303	881	611	37			194	34	2,255
14	탐스	2,193									2,193
15	삼성									1,457	1,457
16	리바이스		300							1,000	1,300
17	빈폴		292							1,000	1,292
18	르꼬끄		290							1,000	1,290
19	K.SWISS		220							1,000	1,220
20	프라다	3	247	775	162				6	8	1,201
기타		435	5,106	1,235	1,052	884	14	171	2,301	2,032	13,230