

# ECCK Connect

## The Quarterly Magazine of the European Chamber of Commerce in Korea

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Dear Readers,

I hope you had a wonderful break during Chuseok holiday, and are enjoying the beautiful autumn weather in Korea.

The beginning of autumn was highlighted with the eighth Korea-EU summit on September 15. Leaders of both sides discussed the state of bilateral relations as well as the areas of further cooperation between the two strategic partners. The ECCK is pleased to have organized a dinner meeting with Trade Commissioner Cecilia Malmström on this occasion. We will continue to effectively function as the representative of members' voices at a policy level. Meanwhile, the ECCK has held several information sessions and seminars on taxation, HR issues, and intellectual property protection, while organizing an annual CSR campaign in cooperation with KOTRA.

As we are gearing up towards substantive events in the upcoming months, *ECCK Connect* has prepared articles about Korea's industry landscape more in detail. The autumn edition covers the food and beverage market, for the industry has seen interesting changes lately interacting with foreign influence.

You will also find insight on IT trends as you turn the pages. Courtesy of ChosunBiz, the ECCK is happy to introduce informative discussions which took place during the Smart Cloud Show 2015 on September 16 to 17. In addition, with our own Korea-EU Intellectual Property Rights conference at hand, two IPR-related articles from external experts are presented in this issue.

Last but not least, we are honoured to showcase a special art & culture article on Korea's legendary designer Lee Younghee. She is highly regarded in Korea and Europe as reinterpreting the beauty of the Korean traditional costume, hanbok. The ECCK held its September Network Night at her exhibition, so we wish to express our special appreciation toward Ms Lee.

Be sure to seize the opportunity to explore the outdoors during this scenic season. And if you happen to take this autumn issue along, I hope you find the reading interesting and informative.

Kind regards,

**Jean-Christophe Darbes**  
President, European Chamber of Commerce in Korea

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## Ask Ajumma

### Order Anything You Want in Korea, Hassle Free



It's not easy living in a foreign country when you don't speak the language. The founder of Ask Ajumma knows how difficult it

can be first hand. Having moved here three years ago with her family, Maria Lee discovered how daunting it can be just to get the simplest things done.

The idea of Ask Ajumma was conceived to make living in Korea easier for all expats. Using Ask Ajumma is as simple as sending a message on KakaoTalk and making a request. Expats can now order almost anything they want in Korea, hassle free.

Through Ask Ajumma, there are no complicated payment systems and nearly all international credit cards can be accepted. It is free to make a request, and there are no special applications that must be downloaded. Customers can save time and money, and focus on the more important things in life, like exploring Korea and spending time with family and friends.

Ask Ajumma was launched in early May 2015 and has continued to gain popularity in the expat community. With thousands of users and many repeat customers, the reviews for this virtual concierge service have been extremely positive. Customers are generally very pleased with how simple and reliable the service has been. Many have commented on how they can now do things they could not have done before on their own.

The service boasts its ability to assist with virtually anything from ordering food, booking movie tickets, delivering fur-

niture, hiring handymen to plan the perfect weekend getaways. Actual customer requests have ranged in a wide variety of areas such as finding flying yoga classes, renting football fields, adopting a rare breed of cat, planning trips to Dokdo, ordering wedding invitations, finding knife sharpening services, booking special concert tickets, buying hair wax and dishwashers and so much more.

It is well known in Korea that "ajummas" get things done effectively. This word is used to describe mothers, wives, and in general older female care takers. Ajummas are hard-working and sometimes a little pushy on the subway, but are always respected because they get things done. Ask Ajumma was named in honour of these women and tries to live up to that diligent and persevering spirit.

The agents are all bilingual, some trilingual, and most have nearly native English skills. Many are well-travelled and can relate directly with expats' requests and concerns. The concept was developed to provide a peace of mind and home for foreigners living abroad.

Ask Ajumma was recently awarded a competitive Korean government startup grant from Korea Techno Venture Foundation. The company plans to expand globally and is currently seeking additional investment support for this venture.



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## LaunchSUM



LaunchSUM is a marketing and business development firm that was founded in January 2015 by Canadian and long-term Korea resident, Marie Frenette. Marie has spent nearly a decade in Korea and has invested

countless hours into becoming not only fluent in Korean, but also in gaining a genuine understanding of the Korean business culture through her career working with organizations such as the Korea Tourism Organization 2012, International Agricultural Exhibition, Shinhan Card and countless small businesses. She also worked closely with the former Ambassador of Panama to Korea to find appropriate local partners and establish business relationships in various industries.

Marie's experience of working closely with Korean clients as a bridge to the world has become the basis for the services that her company, LaunchSUM, offers. LaunchSUM clients include companies such as the award winning French chocolate company zChocolat.com and the Korean genome testing firm Genepse. zChocolat allows customers to send customized, luxury French chocolates direct from France to anywhere in the world. LaunchSUM has exclusive rights to the Korean market and her team is overseeing the Korean localization of the zChocolat website and online consumer marketing and B2B sales to organizations seeking unique and luxurious gifts for their VIP clients. Genepse allows individuals to take charge of their future health by having a complete analysis of their genomes and the related risk areas and recommending prevention methods to minimize that risk. The LaunchSUM team takes care of Genepse's English social



media, promotional events and content creation as well as overseas partner outreach.

Marie also works with the Korean Ministry of Justice as an instructor for the startup visa program OASIS and the Initial Adjustment Program, teaching international residents of Korea about life in Korea, Visa Regulations and Korean Business Culture in both English and Korean.

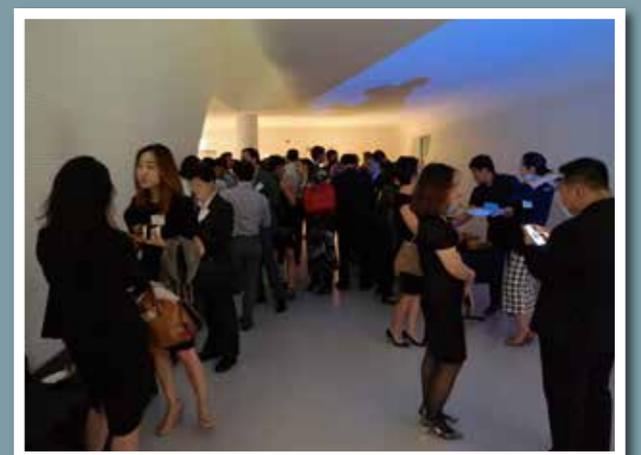
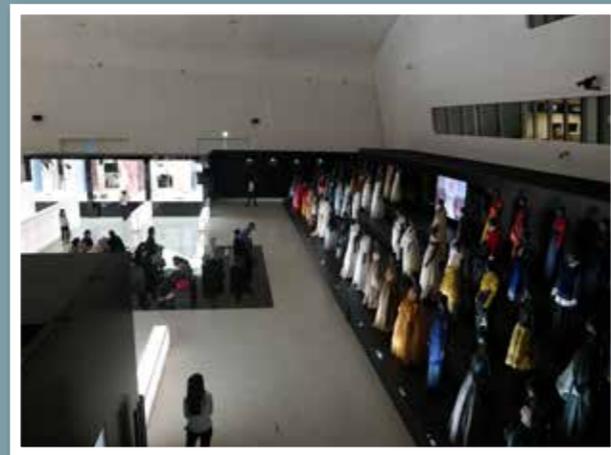
In addition to supporting client companies, Marie is also preparing internal projects. One such project is a new personalized subscription box service that will bring Korea a little bit closer to people around the world. Marie and her team are always interested in new projects and collaborations.

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# September Network Night

The ECCK hosted a special networking event in conjunction with Korea's legendary fashion designer Lee Young Hee's Hanbok Exhibition Baram-Baraem at the Dongdaemun Design Plaza on September 24. The evening was enchanting, spent amidst the elegant and vibrant beauty of traditional Hanbok. The Chamber would like to extend special thanks to our sponsors the National Theatre, T&C and British Airways.



## New Members

### July 16 – September

#### Apple Korea Ltd (USA)

Ying Li Lian Elaine (Manager)  
www.apple.com/kr

#### Attali & Associes Korea (Korea)

Pierre Joo (Representative Director)  
www.attali.co.kr

#### Barun IP & Law (Korea)

Ho-Hyun Nahn (Lead Partner)  
www.barunip.com

#### Citadines Haeundae Busan (Singapore)

Max Phillips (Area Manager)  
www2.citadines.com

#### ESCCK (Spain)

Ernest Ribas Tugores (President)  
www.escck.com

#### Lloyd's Register Asia (United Kingdom)

Gary Horrocks (Marine and Compliance Operations Manager)  
www.lr.org

#### NAPA Korea Ltd. (Korea)

Henttinen Esa Petteri (Executive Vice President)  
www.napa.fi

#### Premier Objet Limited (Ireland)

Christopher Im (President)  
www.premierobjet.com

#### Prism Communications (Korea)

Heesang Yoo (Marketing Consultant)

## New Staff Member

The ECCK welcomes Hyemi Hwang as the new Head of Innovation & Future Technologies at the Chamber.

In her new capacity, she will take care of GNSS.asia – a Horizon 2020 project funded by the European Commission that aims to promote business opportunities related to the European satellite system Galileo and Egnos. In addition, Hyemi will actively explore innovative services to facilitate research and business cooperation between Europe and Korea.

Hyemi has an extensive industry experience from the management & technology consulting background. Previously, she was a senior marketing manager for the Asia-Pacific region at Accenture Singapore. She completed her doctorate coursework in Applied Mathematics at University of Southern California.

## ECCK Forums

### HR Forum

With Korea becoming more and more of a hub for foreign businesses, it is not surprising to find a diversified environment within any given company. Stemming from such heterogeneity are certain conflicts of interests, not just simply between Koreans and foreigners but among all varying subgroups embedded within the larger group.

On September 11, the ECCK hosted an HR forum on the topic of cultural diversity. Around 30 HR, communications managers, and company executives from various industries gathered together to form a transparent discussion platform to discuss the meaning of “culture” and “management”. The participants were encouraged to think about not only the grand scheme of things but also the historical, political, and social aspects of the standard cultural issues that were found in Korea.

The takeaway was that while respect for a culture must be given, inefficiencies should be questioned and differences should be recognized to construct creative advantages through cultural synergy. A company’s capacity to communicate, challenge, and change may be the golden key to an effective organization.



### Taxation Seminar

The ECCK Taxation Seminar was held regarding the tax reform proposal for 2015 on September 17. A comprehensive overview of the major tax reform proposal and its implications for foreign investment companies were the major topics for the morning. Changho Jo and Young-Joo Kim from Samil PwC delivered presentations on the proposal.



# Information Sessions

## NTS Working Group

Around 100 participants attended the ECCK's Joint Breakfast Meeting with National Tax Services (NTS) on August 28. After an early networking session, Jin Oog Suh, Assistant Commissioner of International Taxation Bureau, expounded upon the tax administrative policies relating to foreign companies in Korea as well as the overall accomplishments of the joint working group.

Established in June 2014, the working group has involved the active collaboration and participation of representatives from the American Chamber of Commerce, the Korean-German Chamber of Commerce and Industry, and the Seoul Japan Club as well as experts from related industry. The goal of this working group is to clarify and improve various tax audit procedures for the foreign business community in Korea. Since the set-up of the working group, NTS has launched notable communication initiatives such as disseminating English newsletters and periodical audit and non-periodical audit handbooks via website.



## Executive Briefing on Criminal Procedures

On September 8, ECCK organized another event for the Executive Briefing series. This time the focus was on criminal procedures, and expert counsel Seong Jin Choi and Tak-Kyun Hong of Shin & Kim provided the audience with an insight into the structure and process of the handling of criminal cases by the prosecutor's office.

The speakers highlighted a number of penal prohibitions that exist outside the Criminal Code for which the applicable sentences can range from a simple fine to an actual prison sentence, depending on the severity of the act. In such regard, in addition to corporate liability, particular attention was paid to personal liability of executives and employees failures of the company.



## IP Capacity Building Seminars



On September 15 and 16, the ECCK held two full-day capacity building seminars for government officials involved in fight against counterfeit products. This event was prepared amidst a global surge of counterfeit goods in recent years.

Korea has seen an increase in counterfeit trade and sales. Counterfeit goods cause direct and indirect harm to consumers and corporations. In addition, fake products hurt the government's revenue by omitting tax while dampening normal economic activities by suppressing demand for original products. A research by the Hyundai Economic Research Institute estimated that the annual loss of tax revenue caused by counterfeit transactions could exceed KRW 500 billion in Korea.



Given the rapidly growing counterfeiting activities, it is impossible for a single agency to bring a stop to the production, import, and sales of fake goods altogether due to limited resources and jurisdiction limitations. Therefore, inter-governmental as well as government-private sector cooperation is essential. Sharing information about counterfeiting trends, verification methods, and developments across the borders could serve as a basis for effective cooperation.

In this regard, the ECCK IP Capacity Building Seminar provided a timely opportunity for different government agencies in Korea to build closer relationships and upgrade their knowledge on counterfeiting. More than 50 representatives from the Prosecution Service, the National Police Agency, the Korean Intellectual Property Office, local governments and industry shared their knowledge and forged new alliances to further advance in the ongoing fight against fakes.

## ECCK-KOTRA Grow Together Program

Grow Together is a joint program for foreign companies and Korean student volunteers. It is a program conceived by Invest Korea, a government organization affiliated with the Korea Trade-Investment Promotion Agency (KOTRA). "Grow Together" aims to bridge communication and understanding between foreign companies operating in Korea and Korea's young generation in hopes of facilitating a better investment environment and increasing foreign investment in Korea. The program is unique in allowing university students to design their own volunteer programs that aim towards establishing these objectives. KOTRA Invest Korea has initially approached the European Chamber of Commerce in Korea (ECCK) as a partner for this program in 2013 and hopes to replicate and continue the success of the program.



ECCK-KOTRA's first round of corporate social responsibility (CSR) activities Grow Together for 2015 was launched on September 9 at IKEA Gwangmyeong under the theme of traffic safety. In the morning, an opening ceremony was held at the KOTRA headquarters to commemorate the third joint CSR program. Welcome speeches and organization introductions were heartily given by both parties to the audience of university student volunteers. The day turned out to be a big success as ECCK, KOTRA, supporting company employees (AXA Direct, BNP Paribas Cardif, and Servier), as well as 30 student volunteers together handed out traffic safety flyers, traffic wands, and highway safety warning triangles to IKEA customers, actively advocating the significance of traffic safety. The overall response from the customers was also very positive and encouraging, many showing great interest in receiving the traffic safety items. The Chamber would like to extend our thanks to all participants for spending the day communicating and promoting this important cause.



# ECCK Busan Chapter

## BJFEZ Investors' Network Night

On September 18, 2015 BJFEZ Investors' Network Night was successfully held by the Busan Jinhae Free Economic Zone Authority and the ECCK Busan Chapter at Park Hyatt Busan. The event was to present Busan's attractive investment environment and enormous potentiality. ECCK member companies, including Geislinger, Rolls Royce Mari-

ne Korea, BNCT, and Wilo, as well as other related organizations such as Consulate-General of the People's Republic of China in Busan, US Embassy in Seoul, and Netherlands Embassy in Seoul, participated in this networking event.

First, Chang-Hwan Lee, Manager of the BJFEZ, delivered a promotional presentation, elaborating on the numerous benefits of the BJFEZ's investment environment. Afterwards, Jeong-eun Kim, Manager of Tsubakimoto Automotive Korea, presented the company's successful growth with the BJFEZ. Toward the middle of the event, the Honorary Ambassador Appointment Ceremony was particularly notable as Christoph Heider, Secretary-General of the ECCK and Peter Slootweg, Chairman of the ECCK Logistics & Transport Committee, were appointed as BJFEZ honorary ambassadors by Seong-gon Heo, Commissioner of the BJFEZ. As a closing remark, Commissioner Heo stated how honoured he was to invite distinguished participants to a delightful networking dinner. He also emphasized that the BJFEZ team is looking forward to working with many foreign investors and providing an optimal business environment for their success in Korea.



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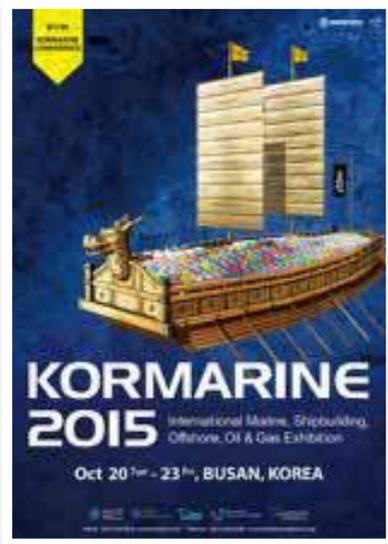


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**KOMARINE 2015**

Since its inauguration in 1978, the biennial KOMARINE exhibition has constantly developed itself to become the most prominent fair in the marine industry today. KOMARINE 2015 has extended its interests even further, introducing Oil & Gas Pavilion at the exhibition for the

first time. KOMARINE will continue to bring the best exhibition experience to all exhibitors, buyers, and visitors by attracting domestic & international shipbuilding, maritime, oil & gas companies as well as offering various seminars and events.

KOMARINE 2015 will be held at Busan Exhibition & Convention Center (BEXCO) from October 20 to 23. It is expected that more than 1,200 companies from 45 countries in the shipbuilding and marine equipment, offshore exploration, and related industries will participate in the event. In particular, 15 major shipbuilding countries are to set up national pavilions where they will focus on promoting products and services of their countries. There will be pavilions for Australia, China, Denmark, Finland, Germany, Greece, Italy, Japan, Korea, Netherland, Norway, Sweden, Singapore, the United Kingdom, and the United States. With Busan as the pivot of the global marine industry, the organizer of KOMARINE 2015 is targeting more than 40,000 visitors from more than 80 countries worldwide.

The ECCK successfully held the "EU-Korea Marine Partnership Night" for the first time during KOMARINE 2013. Again this year, the ECCK is preparing to host the "2015 EU-Korea

Marine Partner-Ship Night" at Park Hyatt Busan on October 22. There will be more than 100 guests from the marine and shipbuilding industries, embassies including the EU Delegation, the Korean government, and Busan City. The ECCK would like to express our gratitude to Wäertsillä Korea, Air France KLM, and CEJN Korea for their generous sponsorships.



## Eco-innovation: The Future Is Now

Eco-innovation is no longer just a trendy concept. It has become a business approach driving the strategic development of an increasing number of companies worldwide. Ahead of the 19th Forum on Eco-innovation to take place in Seoul on October 27-28, we ask Mr Hugo-Maria Schally, Head of Unit for Eco-innovation and the Circular Economy at the European Commission: "Is eco-innovation here to stay?"

Businesses in all sectors are looking for greater resource efficiency as the way towards better competitiveness and market positioning. Some companies are finding ways to reduce costs with less energy-intensive production plants while others are developing new eco-friendly materials, products and services to respond to environmental legislation, green public procurement and increasing consumer demand.



But as risk reduction is the mantra of today's business strategists, our first question to Hugo-Maria Schally is on the business prospects for eco-innovation in Europe.

### To what extent is the green trend in business likely to persist?

The policy environment in Europe is changing. We are seeing an increasing move towards policies that preserve, support and encourage products, materials and technologies that are respectful with the environment. In Europe, we are taking a clear move towards legislation that will determine on one hand, which products can access the European market and, on the other hand, what type of information will have to be provided on the environmental characteristics of a product.

### And how are these measures going to affect businesses willing to enter or to expand in European markets? Aren't these policies likely to scare foreign investors and limit market access in Europe?



Absolutely not. It is actually quite the opposite. Companies that eco-innovate will find more business opportunities in Europe. More even with the new circular economy package to be adopted on December 2

which will cover a wide range of policies, measures and instruments that are of importance to the area of eco-innovation. There is a clear message from our side to entrepreneurs in Europe, Korea and Asia: business opportunities for eco-innovative products will continue to increase in the years to come.

### This is a strong message to investors looking for market opportunities in Europe! Any hints?

It is indeed. Economic operators seeking a strong positioning in European markets should look at important policies such as air pollution, water, and waste management or the use of chemicals and spot related business opportunities. It certainly is a wise strategy for companies interested in European markets to get acquainted with existing tools such as the EU Ecolabel, the environmental performance certification EMAS and the environmental technologies verification system ETV, in addition to new developments on product environmental footprint, Ecodesign and Energy



Labelling. Historically, industry has always prepared itself in advance in order to comply with new regulations. For companies willing to enter European market it will surely pay off to have an ear to the ground so to be amongst the first movers.

**However, complying with new regulations and being able to rapidly innovate to keep a strategic marketing positioning might be easier for large corporations with capital access than for SMEs.**

That is correct. And that is why one of the big lines of action of President Juncker is to enhance the possibilities for SMEs to enter the market. We will keep increasing our support for SMEs through different programs, from the Eco-innovation Action Plan which we are now reviewing after four years of successful implementation, to the new schemes such as COSME, launched in August last year to facilitate access to loans and equity finance. The specific SME instrument of Horizon 2020 for which several calls are currently ongoing, and the dedicated environmental instrument LIFE have also proved to be efficient mechanisms focused on innovation and supporting SMEs in bringing eco-innovative products in the market. Last but not least, the new European Fund for Strategic Investments (EFSI), also known as the Juncker's Plan, is certainly very promising. The investment plan will mobilize at least EUR 315 billion in additional investment in Europe over the next three years, with EFSI focusing on infrastructure, innovation and finance for SMEs.

**These measures are intended to improve the supply side of eco-innovation. What about boosting demand?**

We are also looking at measures that foster demand such as green public procurement and in particular public procurement of innovation. This and other actions will have an important place in the upcoming circular economy package. Incentives and legislation in both supply and de-

mand sides do reinforce each other and benefit the market uptake of eco-innovation products.



**This is the 19<sup>th</sup> edition of the European forum on eco-innovation and the second in Asia. It has a regional scope as case studies from Philippines and Malaysia are in the program but why was Seoul chosen to host it?**

Eco-innovation fora have existed since 2006. Seoul is the second edition in its international form (the first one took place in Hanoi, Vietnam, in November 2013). The South Korean delegation attending the Hanoi forum found it an excellent interactive model, bringing stakeholders together, analysing policies and trends in round tables and finding partners for new business opportunities. Besides the enthusiasm in hosting the Eco-innovation forum, South Korea is a very dynamic economy, reaching an output growth of around 3% in 2015 and an expected 3.5% in 2016. This certainly plays in favour of exploring new business ventures together. In addition, South Korea has prioritized over the years green growth, green economy and innovation. This policy action line is now being renewed through the concept of creative economy. Our economic similarities and determination to incentivise green growth and the circular economy has led us to jointly organise the Seoul forum.



**Why should European, Korean and other Asian companies attend the forum?**

We expect great outcomes out of the Eco-innovation forum in Seoul. Exemplary case studies will show how economic profitability and respect for the environment can go hand in hand in today's business, leading to profitability and reduction of CO<sub>2</sub> emissions. Delegates from Korea and the EU – but also coming from other parts of Asia and the world – will have the opportunity to discover innovative business models and identify new strategic partners in order to expand to Europe or to enter the Korean and Asian markets. The forum is also the occasion to get the latest information on existing EU-Korea and EU-Asia cooperation and funding mechanisms in support to SMEs. The Eco-innovation forum is part of our actions to foster joined business ventures between European and Korean economies. I strongly recommend to all those reading these lines not to miss the unique opportunity brought by the Seoul Forum.

The Forum is organized by the Directorate General for Environment of the European Commission and the Ministry of Environment of the Republic of Korea in cooperation with the Korea Environmental Industry & Technology Institute (KEITI) and the ASEM SMEs Eco-Innovation Center (ASEIC) and with the support of the European Chamber of Commerce in Korea (ECCK). The Forum will feature:

- An introduction session on Korean environment and business on Monday evening, October 26, 2015
- A full day conference on Tuesday, October 27, 2015
- A business-to-business matchmaking session and visit of Eco-Expo Korea 2015 on Wednesday, October 28, 2015.

**Please note that attendance at the Forum is free but registration is required** (<http://registration.ecoapforum.eu/> with Login ID: ecoap and Password: seoul)





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# Food & Beverage in Korea

## Food Market Trend in Korea

As of 2013, Korea's food industry accounts for 3.32% of GDP and 11.63% out of the entire manufacturing business. It is one of the foundational industries with 26,741 businesses and 275,782 employees in the sector (The Food Industry Report 2014, Korea Health Industry Development Institute).

The industry is steadily growing. Between 2009 and 2013, the average annual growth rates were 4.9% in production, 10.3% in import, and 12.3% in export. However, in terms of sustainability, Korea is heavily reliant on food imports as seen in its grain self-sufficiency of 23.6% (in 2012).

In this regard, European agricultural and processed food producers will find good opportunities in the Korean market. The FTA has helped to eliminate duties for many European agricultural products. On the other hand, Korean food products will find more avenues to European consumers by the recognition of equivalency of the Korean Organic System with the relevant EU regulations in February 2015.

However, interesting opportunities have emerged with a broader change in Korea's socio-economic conditions. Elements believed to have had a significant impact on the food industry and the market include the increased concern on food safety, the diversity in imported food items, the frequent interaction with foreign culinary trends in the young generation, the growth of online market, and the spread of "well-being" trend among consumers. The young and affluent are often pointed out to lead the development, given their exposure to foreign experiences and their individualistic tendencies. Rather than necessity or sustenance, food and beverages have begun to be considered as a modern cultural statement.

As a result, the Korean food and beverage market has seen transformative changes in many aspects. Notably, niche consumers have been cultivated by product segmentation – e.g. babies or women on a diet. Western styled premium restaurants have increased around several "hot spots". The craft beer boom and the rise of high-end bars seem to indicate the change in motion. Between 2003 and 2013, foreign beer imports have seen a 6.6 times increase. Wine imports have grown by an average of 7.8% every year since 2010. Imported sweets and chocolates account for the one-fourth of sales in major department stores. Evidently, consumers are willing to spend extra money for certain premium food items and "health" food, and this "well-being" trend undoubtedly has created various premium markets. Until now, the trends of wellness and "premiumization" appear to continue on.

Interestingly enough, Korea's food market innovation, especially the "well-being" trend, seems to be in line with a new global luxury trend. According to Stylus, a global innovation research and advisory firm, "fitness and health are the new status symbols for affluent consumers... Springing up alongside is an increasingly luxurious world of apparel, nutrition, equipment and environments for consumers to display their buffness – and their wealth." ("New-Era Luxury", September 8, 2015, Stylus) It is debatable whether the Korean consumer attitude should be viewed with the luxury framework, yet changes in the consumption pattern are already apparent.

Ministry of Agriculture, Food, and Rural Affairs (MAFRA), and Korea Agro-Fisheries & Food Trade Corporation (aT) recently conducted a survey of 3,000 general consumers and 20 experts. Their responses have been analysed to figure out the food market trends in 2015. The noticeable results are as follows:

- "Show-off" Consumption  
Creating own food show online is gaining popularity. More and more people upload what they have eaten or cooked on their social media channels, which

sometimes leads to actual sales growth. Eating is no longer an isolated consumption, but a shared experience for many.

- “Rocketing” Consumption  
Also known as “multi-consumming,” many consumers now overspend on certain items or food on a special occasion, while economical in expenditure in general. That is, consumers either spend on luxuries or on cheap goods, but tend not to spend in between. Average-priced items or plain restaurants will suffer a loss, if this polarization becomes widespread.
- Reinterpretation of Korean Food  
Korean food has long been viewed as old-fashioned, yet new recipes that have modernized traditional cuisine are surprisingly popular among consumers.

In a similar vein, a market research division under Nalboo, a Korean restaurant franchise group, released the four-point Korean food market trends anagrammed as MASK

- Mall-ing  
As a place for one-stop leisure experiences, shopping malls will be important for both consumers and food service industry.
- Alone  
Single-person households are increasing, so will those who eat alone at home or outside.
- Special  
Experimental places will be tried to give consumers special experience – e.g. a restaurant where a media art exhibition is held.
- Korean Food

Some of these trends are coupled with global phenomena. Technomic, a US-based consulting firm also laid out 10 food market trends in 2015 (See box)

(Source: [www.globalfoodforums.com/food-news-bites/2015-food-trends/](http://www.globalfoodforums.com/food-news-bites/2015-food-trends/))

A brief overview of the Korean food market shows that key drivers in the market have qualitatively changed with its trends increasingly in sync with global ones. Korea’s mar-

#### 1. Lights! Camera! Action!

Dining is a staged event that imparts bragging rights.

#### 2. Small-minded

Small is in: everything gets smaller and more flexible – i.e. smaller units, focused menus, multi-use equipment, leaner staffing and more technology.

#### 3. Foodservice everywhere

Alternative forms of foodservice pop up.

#### 4. Signature beverages

#### 5. There’s something about Asia

In 2015, look for the breakout of Korean, mainstreaming of Vietnamese, and upscaling of spicy ramen noodles.

#### 6. Bitter is the new bold

Look for darker coffees, deeper chocolates..... hoppy beers and cocktails with the bite of bitters.

#### 7. DIY health

Menus increasingly display pick-and-choose options for everyone. One can combine them on their own for health.

#### 8. Micro-local

Fine-tuned to local demands

#### 9. Up with people

Corporate social responsibility is gaining more relevance, as consumers now see human factors.

#### 10. Channelling Z

Appealing to younger customers will be a challenge as they look for new experiences, tend to be less loyal, tech savvy, and want their voices to be heard.

ket potential also seems solid, as food and beverage consumption per capita is expected to grow. Provided that Korean consumers are keen on wellness, safety, convenience, Western-style items, brand values, and organic options, it is unquestionably an attractive market to look at.

## Kitchen in Korea – Past and Present

### How European Design and Innovations Have Changed Cooking Space in Korea

Over the past decades, increasing presence of European cars have changed the scene of streets in Korea. And there is another space of Korean’s life that European design and innovations have been reshaping – the kitchen.

Amid the country’s rapid industrialization and urbanization since 1970s, high rising apartment buildings and advanced gas and water system led Korean homes to embrace

modern “system kitchen,” where high cabinet and cooking station fit to standing cooking position are the core architect.

In a traditional Korean house, the kitchen was built right next to the main bedroom but about a foot down from the ground level mainly to build a fire for the traditional floor heating system called “on-dol.” On-dol uses the heat of direct fire being carried through flues right beneath the floor. Consequently, the main bedroom also functioned as a dining room, with women walking up the stairs from the below-ground-level kitchen carrying food.

As the half-open fire pit stood low on the kitchen floor, Korean women cooked while seating on the floor and, more remarkably, food storage function had to be moved outside of the kitchen to avoid the heat. Kimchi, soy bean sauce, and many other types of fermented foods were placed in Jang-dok, traditional dark-coloured ceramic pot, and bedded deep into the soil in an effort to keep them from changing temperature, offering the function of mo-



dern day refrigerator.

In Europe, the transformation of kitchen space began in 1920s as Austrian architect Margarete Schütte-Lihotzky introduced the very first kind of fitted system kitchen, called "Frankfurt Kitchen," by incorporating the architectural approach with detailed time-motion studies and interview with women's groups to create a kitchen for efficient workflow and hygiene.

The Frankfurt kitchen was a narrow double-file kitchen and installed complete with furniture and major appliances such as the stove. The narrow layout of the kitchen was a conscious design decision aimed at minimising the number of steps needed. There were designated storage bins for kitchen staples such as flour, sugar, rice and others to keep the kitchen tidy and well-organized.

Here in Korea, the European traditions from the Frankfurt Kitchen were first introduced to affluent homes in the



early 1990s as Korea's furniture companies and trading affiliates of conglomerates flocked to Milan to discover and import major European design houses to meet the country's exploding demands for luxury imports amid the rapid economic growth. Among those first movers were Bulthaup, Poggenpohl, Siematic of Germany and Boffi and Sanidero of Italy.

For the past 30 years, the kitchen furniture market has been growing and maturing fast in Korea. However, it still appears to pose a room for further growth. The European luxury brands are opening a string of new flagship showrooms in Seoul as well as other major cities like Busan and Daegu. A new market driver, on top of solid demands from high net-worth individuals, has come from robust wholesale demand as housing remodelling projects and development of new residential complex are booming in the country. You can find in the street of Seoul nearly all of the major global kitchen furniture brands you would see at the Milan Furniture Fair.

Duomo Korea, the sole importer of a leading German kitchen design brand Bulthaup, opened the brand's first flagship showroom in Nonhyeon-dong, Seoul last year. The flagship showroom displayed all of its signature product lines named B1, B2 and B3 and offered space where consumers could come and feel the philosophy of its design and engineering.

"Bulthaup kitchens are places where people come together to communicate, relax and feel at home. They allow people to be creative and experience making things with their own two hands. Bulthaup products do not simply follow function – they also follow the needs and preferences of their owners. They evolve with people's changing lives, uphold personal traditions, and help fulfil personal dreams," said Duomo Korea.

Hanssem, Korea's largest kitchen furniture company by sales, recently opened flagship showrooms for Italian luxury brand Dada in Seoul and other major cities, targeting the high-end market where its own local brand can't reach.

SK D&D, a real estate developer affiliate of SK Group, launched a kitchen furniture business in 2011, importing Leicht and Nobilia of Germany, proving a good business mix that serves the wholesale market opportunity.

After having reached a selective market of affluent families, European designs and innovations are expanding to homes next door. IKEA of Sweden opened its first store in Korea in December last year and introduced its new METOD kitchen system, drawing attention to the functionality and efficiency of its system kitchen in a more affordable way.

"All developed to give you the freedom to create your design, your look and your functions, but at an affordable price. METOD is a do-anything, go-anywhere kitchen that lets you create literally thousands of different combinations and helps you squeeze the most out of every centimetre of kitchen space. So now you can create the dream kitchen for your home instead of waiting to find the dream home for your kitchen," stated IKEA.

While the luxury European kitchen design brands have so far provided Korean consumers with the high quality craftsmanship projects, IKEA's flexible and versatile do-it-yourself products are setting a milestone by impacting Korean's way of living with their space, and prompted Korean kitchen furniture companies to consider the growing recognition of customization and individualization among young Korean families.



Hanssem, which focused on selling standardized products for a long time, started aggressively marketing to promote its interior design consulting service, Hanssem iK, which allows consumers a greater freedom to design their own kitchen layouts and cabinet functions.

"IKEA shows us how we can organize better and work more easily in the kitchen without breaking a bank. Its showroom is an eye-opening experience. And when we get home, we think about other choices we can have from the market, and I can see Hanssem is certainly trying to catch up with the concept of IKEA, which is good for consumers as we can have more and better choices now," said Hye Jin Oh, a housewife living in Seoul.

Photos: Bulthaup,  
provided by Duomo Korea



# Alcoholic Beverages Market: Shifting Terrain

The alcoholic beverages market in Korea is facing major changes in the consumers' preferences. Despite the country's extensive love story with soju and rice wine, new competitors have been gaining popularity in the recent years. For one thing, strong alcoholic beverages are no longer capturing the hearts of drinkers. Gone with the "hard" alcohol, more and more consumers have been showing inclinations toward lighter, spirits-based cocktails rather than enjoying straight whiskies or other strong spirits. Accordingly, manufacturers have been renovating their products in line with the popularity of the lower alcohol-level beverages.

Given such background, it is with no great surprise to find a major shift in the domestic imported liquor market. Without a doubt, imported beverages play an increasingly vital role in this dynamic market. The overall trend has been an increase of imported wines and beers, while pushing out the original, strong players out of the ring. Various types of wine, and sparkling, has seen higher importation sales while the demand for spirits like whisky and brandy has been shrinking. Despite their long previous approval, the strong spirits could not escape their fate given today's consumers' desires and preferences for lighter alcoholic beverages.

From 2000 to 2008 during the "first booming age of wine", most consumers were middle aged males. However, the tide turned after 2012 during the "second boom" when wine became embraced by female customers as well as younger drinkers in their 20's and 30's. "The consumers used to drink name-brand wines in the past, but nowadays there is a tendency to evaluate a wine purely on its own merits, without prejudice," said Chul Hyung Lee, the representative of Ah Young FBC of the wine importing company.

The wine imports for 2014 reached USD 182.18 million, and the import volume surpassed 33,000 ton. There has been a continuous incline in wine importation with an average annual rate of 7.8% since 2010, according to Korea Customs Service (KCS). There were only two hiccups prior to 2010, the Asian financial crisis in 1998 and the global financial crisis in 2009. This shows the steady growth of the domestic wine consumers in line with the wine imports year on year, in spite of external factors. To probe into the reasons behind such solid domestic wine consumption, first, the importers became diverse.

France was the original pioneer of the domestic wine market. Since then, however, the importing regions became diversified to include other countries of Europe and the Americas as well as New Zealand and Australia. The enforcement of FTA between Korea and Australia last year eliminated the 15% tariffs on Australian wines, expanding opportunities between the two countries. All in all, in the

year 2014, Chile was the leading country of import at 26%, followed by Spain and Italy at 21% and 15% respectively.

As for this year, the French wine imports for the first half of 2015 were USD 27.12 million, recording first place, but the growth was merely 1.3%. On the other hand, wine imports from Australia and South Africa, each USD 4.85 million and USD 2.6 million, increased over 33% more than the first half of last year. Also, American wine imports including premium wines from Napa Valley, California grew by nearly 17% this year.

According to the Korea International Trade Association (KITA), gross wine income, which was USD 94.43 million (KRW 110 billion) for the first half of 2015, exceeded the spirits revenue of USD 91.73 million. This is a remarkably notable phenomenon as it is the first time since permitting private companies to import wines in 1987 that the wine import figures went beyond the foreign liquor import figures. Furthermore, this gross wine income during the first six months accounted for 24.9% of USD 379.84 million, the total domestic total liquor imports during the same period.

Unfortunately, the spirits share has dropped to 24.1%. The spirits that once accounted for more than 2/3 of domestic liquor imports decreased to less than 1/4. Since 2010, whisky import has shown an average annual decrease of 7.8% according to the KCS.

Aside from wine, another rising star in the domestic alcoholic beverage market is imported beer. In 2014, the total beer imports exceeded over USD 100 million for the first time, and during the first half in 2015, the total was USD 60.21 million, which was approximately 19% higher than that of last year. Therefore, surpassing previous year's imports of USD 100 million seems like a feasible goal this year. While the well-known beer brands originate from Japan and Germany, Korea has also been significantly importing from emerging beer powerhouses such as Ireland and France.

According to the KITA, "While wine has been growing stea-

dily, beer sneaked in when the whisky market was faltering. Luckily, this led the domestic liquor market to be on a constant incline for 6 years in a row." Despite the ever growing number of advocates for beer and wine, strong spirits fans will be sticking around.

# Diageo Korea

## Global Premium alcoholic beverages company leading “fine drinking” culture

Diageo Korea (diageo.co.kr, CEO Kilsoo Cho) is a wholly-owned subsidiary of Diageo Plc, the world’s leading premium alcoholic beverages company trading in over 180 markets around the world. The renowned Diageo brands include Windsor, Johnnie Walker, Haig Club, Guinness, W Ice by Windsor, Baileys, and Smirnoff. As Diageo Korea produces and imports a diverse array of alcoholic beverages and enjoys the market leader position, looking at some of its brands may give us insights on Korea’s market situation.

For starter, Windsor, a super-premium whisky and the company’s main brand, has maintained the number one status in the Korean whisky market since 2006. In 2013, Diageo Korea has opened the Johnnie Walker House, known as the first “exclusive embassy for luxury scotch whisky” in Korea, as a part of its effort to promote the whisky culture.

In recent years, Diageo has launched new innovative products, which has refreshed the wilting whisky market.



Since Kilsoo Cho’s appointment as CEO in 2013, Diageo Korea has continuously launched new whisky brands such as “Haig Club” and “W Ice by Windsor” as a way of innovation and has taken initiatives to bring about refreshing changes into the whisky market. In particular, Diageo Korea has succeeded in introducing “Haig Club”, the first single grain whisky in Korea, into the market, contributing to the domestic whisky market expansion. With its innovative design and mild taste, “Haig Club” has targeted the younger group of consumers to show that whisky can be casually enjoyed with friends and not only reserved for special or official events.

In addition, the company launched “W Ice by Windsor”, proving itself as a trend-setter amidst fast changing market conditions. Reflecting the wishes of consumers for exotic flavour, “W Ice by Windsor” created an average consumer’s desired flavour through numerous blind tests. As a result, “W Ice by Windsor” drew positive attention upon its launch in Busan and Gyeongsang-namdo area last March, and in Jeju in July. Such favourable reactions accelerated its entry into the Seoul Metropolitan area on August 19, five months ahead of original launch date. It was sensational in the market as the three-month supply ran out within a month.

In the Vodka market, Diageo Korea has also seen a 13% increase in sales with Smirnoff line-ups. To attract young consumers in their 20s and 30s, “pocket-sized Smirnoff” for outdoor demands and milder brands such as “Smirnoff Espresso” and “Smirnoff Blueberry” have been released.

As for beer products, its “Guinness” brand has triumphed domestic beer brands in NCSI (National Customer Satisfaction Index) of KPC (Korea Productivity Centre) and took first place in 2013 for the first time. To reflect the popularity of foreign beer brands, “Guinness” has seen a double-digit growth in the past five years, and its annual growth rate has reached 50%.

Diageo factory in Incheon is another evidence of the booming Korean market. It is the only production base in North Asia as well as a forward base for export. The factory has



W ICE by Windsor

been growing tremendously to handle exports worth USD 30 million with two million cartons of annual production by 2015. This is a result of building up more research & technology development) product line in September 2013, which was worth KRW 5 billion. Diageo Korea has achieved substantial outcome in one year since the distribution of Smirnoff Ice throughout Japan in July 2014.

Furthermore, the company is making an extra effort to analyse consumer trends and create a drinking culture. One of the highly visible events was the opening of the Jonnie Walker House Seoul on Apgujeong Rodeo Street for various whisky experience in depth. Jonnie Walker House Seoul, established after Shanghai and Beijing is an “exclusive embassy for luxury scotch whisky” to spread the “fine drinking” culture. In particular, “Jonnie Walker Blue Label Sa-Shin-Do Edition”, made exclusively for Korean consumers for the first time in 200 years of the Jonnie Walker history, had been quickly sold out upon its release in the market.

Supporting bartenders is another program to spread the “fine drinking” culture. World Class Diageo reserve (www.worldclasskorea.co.kr) is a contest to select highly qualified bartenders. More than 10,000 bartenders from over 50 countries participate in the event every year since 2009, to showcase their knowledge, skills, creativity, and manners. Diageo Korea plans to step up its effort to building

up the capacity of Korean bartenders and lead the way to a more refined drinking culture.

Emphasis on the cultural aspect of drinking leads to the company’s corporate social responsibility (CSR) efforts.

Diageo Korea also conducts various CSR activities to improve women’s capacity and support the underprivileged. These campaigns are long-term programs with actual benefits provided to the Korean society. Diageo Korea has been operating a CSR project plan called “Plan W” to support women and their growth. This project was prepared to provide the necessary knowledge and skills to women by Diageo Asia Pacific, investing USD 10 million into two million women in 17 Asia-Pacific nations by 2017. They also have also established the “DIAGO KOREA Heart to Heart Foundation” in cooperation with the Ministry of Gender Equality and Family (MoGEF) in September 2013 and has developed a five-year program contributing KRW 1 billion each year to MoGEF. They also signed a memorandum of understanding with MoGEF in April 2013 to support Korean women to stand on their own and be employed by providing complimentary rental homes for homeless single mothers.



Jonnie Walker House Seoul

Since 2008, all employees have been participating in the “Heart to Heart” volunteer programs including baking breads and distributing side dishes. In the meanwhile, Dia-geo Korea is the only domestic company to install a recording studio at its office to record books for the visually impaired.

## The Craft Beer Craze

The love for craft beer is blooming. Korea has caught the craft beer fever, and microbreweries and specialty beer establishments are popping up everywhere. With a growing number of people bored with mass-produced beer and aching for more variety on the menu, craft beer is becoming a major trend.

The biggest appeal of craft beer, beer fans agree, is that the variety lets the drinkers select the flavour that suits their mood, taste and personality. Since every kind of craft beer is created in a unique way – combining basic ingredients (water, barley, hops and enzymes) at a different ratio and adding in various spices – the flavour of the beer varies extensively depending on the creator. Also known as “house beer”, craft beer is produced from “micro-breweries”, which stands in stark contrast to the large beer manufacturing factories, the “macro-breweries”.

The small, entrepreneurial breweries of the late 1960’s in America intensely fanned the flames of the craft beer movement. A melting pot of cultures from immigrants all over the world, by the 2000’s, America boasted more



This festival is hosted by Media Paran and sponsored by SKT and Seven Luck Casino. 100 types of beers along with some food pairings will be offered. Furthermore, be sure to keep an eye for fun events such as stencil tattoo and live concerts.



Dia-geo factory in Incheon



“Heart to Heart” Volunteer Program



eclectic and creative breweries than any other country in the world. The American Brewers Association (ABA), an official congregation of small, independent American brewers, advocates that a craft beer should adhere to the following criteria of being small-scale, innovative, and independent.

Small breweries in Korea have been allowed full business operations starting in 2002. With the establishment of the Liquor Tax Decrees, the government has allowed anyone meeting the basic brewery requirements to brew beer. Unfortunately, there were some issues with this open door policy as the qualities of beers fell all over the map and the external distribution of beers from these breweries was forbidden by law. Most businesses closed within 2-3 years of operation, and the number shrank from 130 businesses down to mere 30. Luckily in April 2014, the law was revised and independent breweries could lawfully distribute their beer around Korea. Due to this positive policy change, microbrewery businesses in Korea have started to slowly pick up again.

For those particularly fond of beer, the Great Korean Beer Festival will be held from October 8 to 11. This will be a part of Gangnam Festival and Korean World Trade Center Fall Festival, hosted by Gangnam-gu office, Korea International Trade Association, and Coex MICE cluster in Yeongdong-daero area from October 1 to October 15.



## Interview with Bob Louison

Although Korea is well known for traditional liquors and binge soju drinking culture, Scotch single-malt whiskies and high-end cocktails are a relatively new but a visibly rising phenomenon in the country. While only a handful of bars were available for whiskies and quality cocktails around 2010, nearly 100 bars have joined the scene in recent years.

Interestingly, the way whisky has become popular seems parallel to how wine has become mainstream several years ago. Both are appealing to those who are looking for a new taste and a history or culture associated with it. Naturally, they tend to be more individualistic and prefer a private ambience as opposed to a hierarchical and group-oriented mood often common in company dinners. It is not irrelevant that female customers are more than half of the regulars at those bars \*

And a bar itself could be a reason for hangout. It gives you a different out-of-routine atmosphere, ranging from "cozy, K-pop-free hideaways to upscale basement bars serving oysters with your order."\*\*

To learn more about this new phenomenon first hand, the ECCK met Bob Louison, a bartending consultant who advise bars all over Asia, to hear his observation. Mr Louison has helped to set up some famous bars that have



led the whisky boom in Seoul – Globe Lounge and Vault +82 to name a few, and runs cocktail classes and trains bartenders in Korea through Spirit It, his bar consulting company. The company provides similar services in other global cities – including Tokyo, Hong Kong, Taipei, Bangkok, Kuala Lumpur, Singapore, St Petersburg, London, and Paris.

Though he is excited to see a development in Korea's bar industry, he still thinks there is a long way to go to spread a refined "drinking culture" among general customers.

### Please tell us about yourself.

I'm from Paris, France where I started bartending when I was 18 years old. From that point on, I have worked all around the world – in London, New York, Ibiza, and then moved to Asia in 2008. I am now running a bar consulting company called "Spirit It" based in Hong Kong, while pro-



viding advice and consulting for bars around Asia.

### Can you tell us more about your job as a bartending consultant?

I advise bars on their general setup as well as staff training. Basically, I help them improve their bar atmosphere and professionalism. Also, I create a special cocktail menu for them, advise on interior design, teach bartenders on good service, educate them on spirits, cost control, bar settings and techniques. I work closely with importers and beverage brands such as Moët Hennessy Diageo, Grand Marnier, and Perrier, while developing signature cocktails using diverse spirits. As you know, I established Spirit It to do all this job more systemically.

### What motivated you to come to Korea and help set up famous bars here?

I first visited Korea for three months in 2010 to do some market research. Then, I was asked to come and consult a bar in Korea again. On my second visit, I recognized how young and underdeveloped the market was, but saw a huge potential at the same time. Thus, I was happy to move here and have had chances to participate in the development of the bar industry in Korea.

### Remembering your first encounter with the Korean bar landscape, have you seen a significant change recently?

In general, it has changed so much and for the better. It's improving every day and I'm excited to be a part of it. I

\*\*"청담동 위스키 바에, 엘리트 여성 북적인다는데..."  
*The Hankook-ilbo*, June 2, 2015

\*\*"Where to Sidle Up to Scotch, Not Soju",  
*The Wall Street Journal*, March 21, 2013

am thrilled to see what trends will be like in a few years to come.

### You are on the frontline to see the cultural aspect of the whole bar industry. How do you evaluate changes in drinking culture and consumers' preference for drinks and bar environment?

I mentioned improvements in many aspects. However, in light of customer preference or "drinking culture" if you put it this way, not much yet. I think the drinking culture is still pretty much the same as it was 10 years ago. There is a small percentage of people who go to whisky bars, drink trendy cocktails, and are familiar with how to appreciate them. Yet it seems to me that most people know little about foreign liquors and how to drink spirits and cocktails. One of my goals in Korea is to educate customers on how to drink, what to expect for good drinks, what stories are associated with each liquor, and the like. If customers become more demanding in terms of the quality of drinks and service, bartenders will improve much faster. Both sides of the industry should grow. Changes happen all the time, but the market can be transformed only if consumers demand it. Perhaps because many young Koreans travel and study abroad today, they bring back diverse cultural experiences to Korea, nurturing opportunities previously never thought of. When it comes to high quality bars and drinks, I think it is also necessary to be more open to foreigners. We need a market open to international audience, and that will benefit Korean economy.

### What is your personal and professional goals in Korea?

I love it here, I would love to stay in Korea for some years, and also I would like to open my own bar academy and cocktail bar. I wish to find some people who can support me for opening a bar and the bar academy within a few years.

### Any special event soon?

I have many classes and consulting going on all around Asia. For Korea, I've just had a Cocktail workshop about chocolate & cocktails, it was fun!

# Le Moulin

Since its opening in November 2014, Le Moulin has blossomed and established itself as the go-to spot for everyone in search of a casual French wine bar. Laurent Min, the director and the driving force behind Le Moulin, very much embraces the "table culture" of France, having resided there for nearly 20 years. The French are known for their very leisurely dining style, something uncommonly found amidst Korea's efficiency-central society. Therefore, Laurent hoped to re-create and share this laid-back atmosphere of France in the heart of Seoul and break Koreans' stereotype of wine bars being extravagant and lavish.

Laurent states how he "wanted to bring a piece of France that both the French and the Koreans could enjoy", and it seems as though what he has envisioned came true. Located in Gyeonglidan, Le Moulin encompasses an ex-

clusively rustic ambiance topped off with European wine barrel tables, French music, and intimate low lighting. Their excellent range of wine selection (mostly French) is comfortably priced, and the bar's French style cheese and cold cuts platter is an absolute must-try. Also, with extensive experience in the food and beverage industry, Laurent sincerely believes that customer interaction is a significant role he must play. "I always try to actively converse with the customers because that's how it is in France. In Korea, you come in, order, and leave, but that's not what I want for Le Moulin."

Next time when you're craving a glass of wine and some authentic cold cuts, find yourself a cozy corner at Le Moulin. Laurent is also quite knowledgeable about the history of wine, so block out your schedule for a good cultural lesson.



## The leading luxury serviced apartments in Seoul



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# Seoul Square

## The Landmark Building of Korea

Which building is the landmark building of Seoul? Even though the term “landmark” is familiar to us, have you ever thought about the main landmarks within the city? We know of great landmarks in foreign cities, such as the Empire State Building in New York and La Grande Arche in La Défence. But you might hesitate when asked about a landmark building of Seoul.

Let’s discuss the definition of landmark in an urban dimension before moving forward. The Image of the City, written by Kevin Lynch, one of Western urban planning pioneers, describes a landmark as one of the most important elements in a city. In a Western urban planning, its primary notion is “the larger the better”. Based on this theory, numerous buildings in the Western cities were inclined to overwhelm their surroundings and flaunt their magnificent scales. On the contrary, the local approach to composing a city in Korea somewhat differs from above. In case of Korea, geographical features such as mountains and rivers used to be the most prominent around 600 years ago. In this context, Seung Hyo-Sang, the master architect of Seoul, pointed out that Bukhansan and Namsan were the major geographical landmarks of Seoul. Although this is very logical, a further discussion and understanding of various landmarks that can be created is important. Furthermore, it is precisely such an idea that captured the local city developers in the 1970s. By this time period, the local city developers did not want to follow the traditional approach when building a city, but had visions for urban-scaled landmarks such as skyscrapers in developed cities with high-growth paradigm. Considered by many as the national symbol of hyper-growth, one of the typical examples is Seoul Square. The building’s magnificent view reminds us of a simple, big mass. Some people criticize because it seems too overbearing. On the other hand, Seoul Square has been regarded as a symbol of modernization by many Koreans.



Seoul Square in 1976 by Republic of Korea Government

## Façade of Seoul

Seoul Square represents the history of Korea’s economic growth. Its history began as the works of modern urban planning were projected. One of the remarkable segments among the design concepts of Seoul Square is “the emphasis on its image as the entrance of Seoul”. Boasting its excessive size, the building was built with the total area of 40,173 pyeong (132,806 m<sup>2</sup>) and 100 meters in height and 36 meters in width, with floors from B2 to 23 made in steel frames. This was then purchased by one of the wealthiest conglomerates in Korea, and Seoul Square was born in 1976. The building was designed as a symbol of Seoul, not just an office building for a specific corporation. It used to be regarded as a hideous object of an urban city due to its monstrous volume and rigid exteriors; it also effectively blocked the striking view of Namsan from Seoul Station. Furthermore, some criticized intensely, calling it one outcome of developmental dictatorship. However, current local architects appraise the massive volume and exteriors as worthy of preservation like a historical monument that represents Korea’s modern era. Its unique features has become a symbol and representation of the generation that boasts reckless ambition and rapid growth.

## New Façade of Seoul: Media Canvas

Seoul Square has evolved. Now, it has become an energy-efficient and eco-friendly working environment. In addition, Seoul Square has earned the highest level in LEED, the world-renowned green eco-friendly system. Lastly, Seoul Square has received the title on its façade for the largest media art canvas in the world, 99 meters by 78 meters, with 42,000 LED lighting devices in total. This media canvas is listed in the Guinness World Records as the largest media art canvas in the world, and various types of media façades are shown daily. Seoul Square’s media façades can be divided into regular and special media art works. The regular media façades such as Julian Opie’s “People Walking”, Yang Man-Ki’s “Mimesis Scape”, and many other remarkable media arts are shown regularly on a daily basis. The special media façades are shown during particular occasions such as the World Cup and Christmas. The architect who designed the media façade definitely intended to make this building as the “mecca” of media art.

Seoul Square has thought about not only the exterior of the building but also various arts within the building, installing works such as Ron Arad’s “Desk and Sphere” and Bae Bien-U’s “Sonamu”. Above all, we can further discover Seoul Square’s distinct characteristics among its interior designs. For instance, the brick wall in the underground arcade, designed by Kim Su Geun (1931-1986), the great master in the local field of modern architecture, and the sunken garden are still preserved. From the traces of times, we recognize the artistic value of Seoul Square.

With merit from this artistic perspective, Seoul Square has drawn a diverse group of tenants from overseas, including Embassy of the Federal Republic of Germany, European Chamber of Commerce in Korea, Mercedes-Benz, Siemens, CITSV Service, Mundipharma, and Exxon Mobil, while accommodating major domestic tenants such as Hana Financial Group, LG Electronics, LG Innotek, Cha Medical Center, and Doosan DST, in addition to a number of various restaurants in the retail zone. These factors may all contribute to Seoul Square’s exotic mood.



View after renovation



Media Canvas: Julian Opie’s People walking

Seoul Square has good press because it had continued to align its image with its original intentions, which was a rebirth into a sustainable, energy-efficient building with artistic merit. When Seoul Square was under renovation, local citizens were quite worried that the symbol of Korea’s groundbreaking economic growth with the foreseeable globalization was fading away with the living history of legendary triumphs. Fortunately, the architect had realized that the uniqueness of this landmark’s exterior should be upheld. People greeted the new design of Seoul Square especially for its uniqueness. This status means that Seoul Square has become a true landmark of Korea. The reason is not due to its huge scale and beauty but for deeply setting into people’s heart as a Façade of Seoul.

# Smart Cloud Show 2015

The Smart Cloud Show is an IT trend convention organized by ChosunBiz, an economic specialized media among Chosun Media Group, which leads domestic and overseas IT trends and introduces up-to-date technologies.

The fifth annual Smart Cloud Show was held on September 16-17, 2015 at Nine Tree Convention, Seoul, and hosted by the Ministry of Science, ICT, and Future Planning (MSIP) and the Seoul Metropolitan Government. This year's conference featured a wide array of technologies believed to revolutionize the global economy in the years to come. Various sub-sessions addressed topics, including the Internet of China, autonomous cars, robots, the concept of sharing economy, online security, gamification, 5G, Internet of Things (IoT), virtual reality, and 3D printing.

In particular, leading experts in academia and industry shared their knowledge and insight during this convention. Among those were Daniela Rus, a professor at MIT and an expert of self-driving car technology, Jun Ho Oh, Director of HUBO lab – the winner of Defense Advanced Research Projects Agency (DARPA)'s Robotics Challenge 2015 at KAIST, and Dennis Hong who was listed on Popular Science's 8th annual "Brilliant 10".

The conference was opened with welcoming speeches by Jaeyou Choi, Second Vice-Minister of MSIP, Moonjong Hong, Chair of Science, ICT, Future Planning & Broadcasting and Communications Committee at the National Assembly, Wonsoon Park, Mayor of Seoul, and Kwanghoe Lee, CEO of ChosunBiz.

Courtesy of ChosunBiz, ECCK Connect introduces some

of the most vibrant discussions during the two-day conference.

## China's Internet Environment and Prospect

The first major topic was the Internet of China and its prospect. Xu XiaoPeng, General Manager of Future Store at Baidu started off by briefly introducing China's online infrastructure. As of June 2015, China's Internet penetration rate reached 48.8%, which account for 668 million users and 594 million mobile users. Without a doubt, it is the world's largest internet user-base. With the launch of the Internet Plus initiative, the Chinese government has been active to innovate traditional industries through the application of Internet technology. Notably, wearable devices are hot investments, duly supported by the government. Furthermore, the smart device industry is expanding to include transportation. Again, the government plays an important role to shore up the smart device market as it is getting bigger with the increasing number of users and consumers. Naturally, competition is fierce, cranking out constant innovation and renovation.

Subsequently, Kelvin Ding, CEO of Huawei Korea, introduced the company's status and his observation on smart devices. Huawei ranked third in global smartphone production next to Apple and Samsung. It is rapidly expanding its B2B business as well as cloud services. To keep up with its growth and technological sophistication, the company has been spending USD 60 billion in research & development. Unlike Xiaomi, Huawei does not consider increasing a market share with low-end products. Ding emphasized Huawei's long-term goal of constant innovation over the short-term profitability. In regard to the macroeconomic status of China, Ding assured the audience by pointing out that China's growth rate is still much higher than that of major economies and that consumer demands are moving towards higher quality products.

All Chinese participants agreed on the importance of cooperation with Korean companies. In this light, Seungwon Lee, President of Overseas at Netmarble Games, gave his



insight on doing IT business in China. First of all, China is a big market in which managing distribution channels is a challenge. Local partnerships are essential; thus, service strategies should be aligned with the distribution mechanism. Since the market is highly competitive. To win consumers' heart, you must show them a "wow" factor and especially strike the right chord regarding their cultural sensitivity.

## Autonomous Cars

Professor Daniela Rus of MIT gave the conceptual overview of the autonomous car and the latest updates on progress and challenges. Driving is an integral part of our daily lives – for instance, Americans drive in total 3 trillion miles over 47 billion hours per year. Despite positive experiences, costs related to driving are enormous – 1.24 million deaths and USD 227 billion of economic costs per year in the US. Autonomous cars are a technological answer to this problem, and it is promising than ever thanks to the advancement of robotics and IT technologies.

According to the US National Highway Traffic Safety Administration (NHTSA), vehicle automation is defined as having five levels:

Level	Definition	Description
0	No-automation	Driver is in complete and sole control.
1	Function-specific Automation	Vehicle provides driver with information and warnings. Driver has informed control.
2	Combined Function Automation	Vehicle integrates detection/response. Driver is ready to take control.
3	Limited Self-Driving Automation	Vehicle fully autonomous: Driver takes control in emergency
4a	Full Self-Driving Automation	Vehicle fully autonomous. Occupants do not need ability to drive.
4b		Vehicle connected. Optimized system operation & passive driver experience

The explosive progress in sensor fusion and other IT technology has enabled developers to make a breakthrough in self-driving automation. It is remarkable to see different technologies, which have been independently developed, converge. However, challenges still abound. For example, Google Cars are only able to drive safely and accurately based on its detailed roadmap. In other words, road conditions, computing power to process in high speed, and the map quality could be variables determining the car's driving performance. More seriously, Google Cars have not been able to process emergency situations, as the system is programmed to identify the safest route based on pre-recorded data. In the long run, we expect to realize the concept of "mobility on demand" where an autonomous car picks up a person and drives him to a destination, then responds to another request by others. Still, the technology's capacity to deal with unexpected situations, performance under inclement weather, and function consistency all need improving.

Regulatory hurdles are an issue beyond technology. Autonomous cars are illegal in most countries today. The person controlling the autonomous vehicle and the person responsible for accidents have not been defined. Policy coordination among different local governments and between other countries is another obstacle to be overcome.

### Robots

Dr Jun Ho Oh, Director of HUBO lab at KAIST gave the keynote speech on future of robotics technology. Dr Oh is well known for winning the DARPA's Robotics Challenge 2015 held in California in May.

According to Dr Oh, ASIMO, a humanoid robot developed by Honda in 2000, was a turning point of robotics technology by shifting attention of researchers from industrial robots to service robots. The key difference between the two kinds is interaction. Industrial robots carry out routine performance once their switch is on, whereas service robots need to interact with the surrounding environment and people to function. Mobility and autonomy are the



two elements to enable interaction of a robot with people.

Service robots are expected to gain relevance and importance, for we have seen a possibility for robots to do things too dangerous for a human. In fact, the DARPA contest was initiated after the Fukushima nuclear incident to develop robots to work under extreme conditions. Dr Oh was certain that robots would be of help for the elderly in a rapidly ageing society.

The next speaker was Professor Dennis Hong from UCLA. Professor Hong and his team are doing research on movement mechanisms to be applied for the various kinds of robots. He has also developed the prototypes of rescue robots and an automated driving system for blind people. In his speech, Dr Hong centred on three subjects – openness, ethics, and the reason for research.

Regarding openness, Dr Hong introduced a little robot called DARwin. It is based on an open source technology, thus is evolving through numerous feedback from all over the world. DARwin was not sensitive enough to respond to external input in 2004, but it was able to walk by 2005, and starting in 2006, it acquired movements con-

trol through machine-learning. With constant upgrades and improvements, Dr Hong's team have won the robot soccer tournament five years in a row since 2011 using DARwin. Algorithms and mechanical know-how acquired through such events have been incorporated to the development of medical robots, robotic firefighters, and rescue robots.

What concerns both Dr Oh and Professor Hong is the reality that robotic technology may be used for certain purposes against developers' wishes. Most prominently, robotic research has been mainly (70-80%) funded by the military in the US. That is, algorithms, which control delicate movements of a robot firefighter to aim a water hose to flame, could be applied to making a robot shoot a target. On this note, they both encouraged researchers to be aware of ethical issues. However, robotics is believed to upgrade the quality of life for many people, especially those physically challenged. Surely, its potential is boundless.

### Online Security

A dark side of the connected world is the vulnerability to cyber-attack. A panel discussion was devoted to online security to get a status update.

According to Anton Lee, Senior Director at Symantec Corporation, cyber security cannot keep up with the development speed of cyberattacks. In 2013 only, more than 100 million malware attacks were recorded.

The situation takes a turn for the worse due to the naivety of users. 80% of malware infection transpires at the end point, that is, individual users. Although it is impossible for non-experts to maintain a clean, malware-free environment, they should avoid at all cost visiting suspicious websites or casually clicking "yes" to pop-up requests. However, if a skilled hacker targets a certain person online, it is unrealistic to believe that he or she can be protected by a vaccine upgrade or safety patch download. Therefore, it was advised that all users draw boundaries to the exposure of their personal information.

In other words, one must decide to what extent one's private information should be shared online.

The rest of the panel discussion focused on the government's role in cyber security. Seungjin Lee, a former white hacker and CEO of GrayHash, pointed out that other governments – notably the US – have aggressively recruited hackers to their intelligence services or militaries, while Korea seems complacent in this kind of activity. Not only in the national security field, but also in transnational crimes, hackers play an increasingly critical role. How Korea can nurture and recruit talented experts is an agenda that must be given a serious thought. Other panellists also discussed whether current systems in place are effective and helpful for young talents, such as bug bounty, which gives hackers a financial reward (bounty) for finding vulnerabilities in corporate programs before going public.

### Others

The fifth Smart Cloud Show covered several other areas such as sharing economy, virtual reality, 5G+IoT, and 3D printing. For more information, summary articles are available in Korean at <http://biz.chosun.com/> with the keyword "Smart Cloud Show".



# INVITATION

## 2015 KOREA-EU IPR CONFERENCE



In recent years there has been an increased focus on the importance of intellectual property. Technology giants have engaged in global litigations pertaining to their technology, online shopping platforms are facing increased scrutiny with regards to the products they offer, and the Park Administration has adopted the “Creative Economy” paradigm to foster innovation. It is clear that Intellectual Property Rights (IPR) simultaneously create opportunities for some and barriers for others. In order to gain a competitive edge, it is of utmost importance to have IPR duly protected and adequately enforced.

Following the great success of the previous editions in 2013 and 2014, the 2015 Korea – EU IPR Conference will provide you with an opportunity to hear from leading professionals about the most important developments in the field of intellectual property in Korea and Europe, and receive insights into how to best protect your intangible assets.

This year’s Conference will feature the three distinct, yet equally inspiring topics of Anti-Counterfeiting, Trademarks and Industrial Designs, and Patents, all of which will be separately addressed during three parallel afternoon sessions. These sessions will include presentations and panel discussions offering practical information in order to foster your business.

The Conference is hosted by the European Chamber of Commerce in Korea (ECCK), co-hosted by the European Patent Office (EPO), the Korean Intellectual Property Office (KIPO), and the Office for Harmonization in the Internal Market (OHIM), and is supported by Kim & Chang and Lee & Ko.

We cordially invite you to attend this year’s Korea – EU IPR Conference where you will hear from experienced speakers, discuss with industry experts, and expand your knowledge in order to maximize the benefits of IPR for your business.

<b>Date</b>	<b>Thursday, October 22, 2015</b>
<b>Time</b>	<b>9:00 – 20:00</b> (registration from 8:00)
<b>Venue</b>	<b>Grand Ballroom (3F), Conrad Seoul</b>
<b>Admission</b>	<b>free of charge</b>

# PROGRAM

## OCTOBER 22 2015

Simultaneous interpretation provided for all sessions.

### Hosted by



### Co-Hosts



### Supported by



<b>08:00–09:00</b>	<b>Registration</b>
<b>09:00–09:30</b>	<b>Opening Remarks</b>
<b>09:30–09:45</b>	<b>Keynote Speech</b> Ms. Carolina Pitarch, Project Manager at OHIM
<b>09:45–10:25</b>	<b>“National IP Strategies: Strengthening the Base for the Creative Economy”</b> Dr. Kuiwou Kwun, Director General of the Intellectual Property Promotion Bureau at PCIP
<b>10:25–10:40</b>	<b>Coffee Break</b>
<b>10:40–11:20</b>	<b>“How the EPO Supports Innovation by Focusing on the Needs of the User Community”</b> Mr. Carlo Pandolfi, Director of International Co-operation at EPO
<b>11:20–12:00</b>	<b>“Introduction of the Classification System at OHIM” (Harmonised Database &amp; Taxonomy)</b> Mr. Sunyeob Ahn, Seconded International Expert at OHIM
<b>12:00–12:40</b>	<b>“Introduction to KIPO &amp; Korea’s IP Policy”</b> Mr. Inhong Yeo, Senior Deputy Director of the International Cooperation Division at KIPO
<b>12:40–14:00</b>	<b>Lunch Break</b>
<b>14:00–18:00</b>	<b>Break-out session I (Anti-Counterfeiting)</b> will see presentations and discussions involving officials from KIPO’s Intellectual Property Investigation Division, OHIM, Seoul Jung-gu Office, as well as industry experts.  <b>Break-out session II (Trademarks &amp; Industrial Designs)</b> will feature participation by KIPO’s Trademark and Design Examination Policy Divisions, OHIM’s European Trademark & Design Network Operation Centre and industry experts.  <b>Break-out session III (Patents)</b> will involve presentations and discussions about current and future patent protection in Europe and Korea, EPO’s and KIPO’s facilitating role therein and diversification strategies for technology companies.
<b>18:00–20:00</b>	<b>Reception</b> <small>Subject to modifications.</small>

# The European Patent Office – Supporting Innovation, Competitiveness and Economic Growth

## EPO – Gateway to the European Market

The European Patent Office (EPO) was set up in 1978 and is the largest regional patent office in the world. It enables inventors, companies and researchers from all over the world – through a single application in any of its three official languages (English, French and German) – to protect their inventions in up to 40 European countries, covering a market of around 600 million people.

From 16 signatory states of the European Patent Convention in 1973, the organization now has 38 member states, including all 28 EU member states plus 10 additional countries such as Norway, Switzerland and Turkey. European patent applications and patents can also be extended at the applicant's request to Bosnia-Herzegovina and Montenegro, and since March 1, 2015, European patents can also become valid in Morocco. As a result, there are now 41 countries which recognize European patents as national patents.

Today the EPO is Europe's second largest international public-service institution. Although it is not a body of the EU, all member states of the European Union are also part of the European Patent Organisation, and the EPO cooperates closely with the EU institutions. The EPO employs 7,000 people at its five offices - including its Munich headquarters - in four European countries. It is entirely self-financed and has an annual budget of around EUR 2 billion.

The EPO enjoys an excellent reputation across the globe for the quality of its products and services. A highly trained examiner workforce of over 4,200 scientists and engineers deliver high quality patents that stand out for their legal certainty. The EPO is also the world's leading authority in patent in-

formation and patent searching, and its free, online public database Espacenet contains more than 90 million patent documents related to inventions and technological advances.

In addition, the EPO provides technical solutions and information on a global scale. Its search tool EPOQUE is used by patent offices in over 40 countries worldwide. Thanks to Patent Translate, our free machine translation tool, our vast collection of patent documents is now available in 32 languages, including Korean.

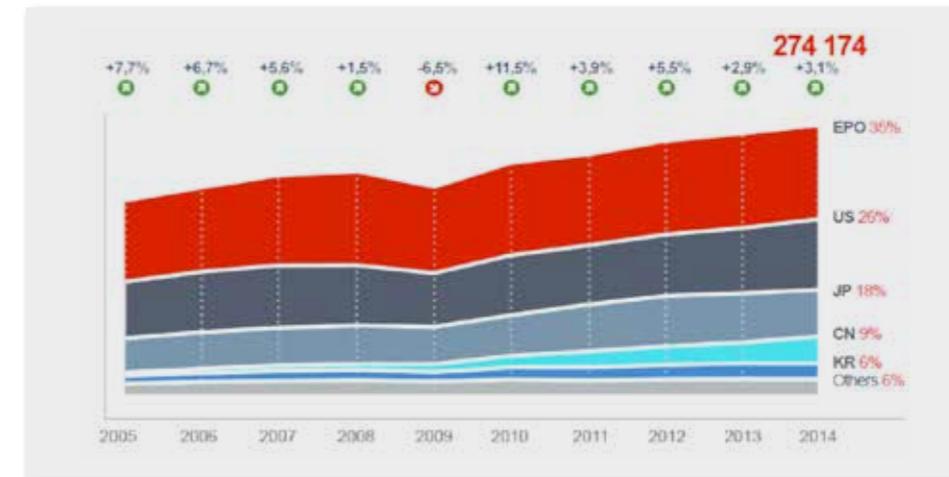
## Growing Demand for Patents

Demand for the EPO's services is rising steadily with 274,000 patent filings in 2014, and almost 40% of world-wide international searches and more than half of all international preliminary examinations under the Patent Cooperation Treaty (PCT) being performed by the EPO.

The top 5 countries of origin for filings at the EPO were the US (26% of the total), Japan (18%), Germany (11%), China (9%) and Korea (6%). Around one-third of the total filings at the EPO in 2014 came from the EPO member states, and two-thirds from outside Europe.

## Korean Companies at the EPO

In the past decade, patent filings at the EPO from Korean companies more than doubled to reach some 16,300 in 2014, or 6% of the total. Most applications are related to electrical machinery, computer technology and digital communication. Two Korean firms figured among the EPO's top filers of



Evolution of filings at the EPO over the last 10 years with regional breakdown

2014: LG in fourth place, and Samsung holding the number one position for the third year in a row. Conversely, European companies are also increasingly seeking patent protection in the Korean market, with Germany, France and Switzerland, the top three European countries in terms of filing origin, together accounting for more than 7,700 patent applications at KIPO in 2014.

## Delivering High-Quality Patents

In response to the growing demand for patents, the EPO has put an even stronger focus on quality, efficiency and timeliness. For example, through a new initiative known as "Early Certainty from Search", it aims to provide all applicants with a report on existing prior art, and a first opinion on the patentability of their invention within six months of filing at the EPO. This gives companies and inventors a sound basis for their patenting strategies at a very early stage in the patent granting process. It also benefits the public by enhancing the transparency of pending patent rights in Europe, providing an overview of prior art and patentability early on in the proceedings.

Of course, the quality of a patent also depends on access to the most relevant documentation so that the most pertinent prior art can be retrieved, assessed and cited. The Coopera-

tive Patent Classification (CPC), jointly developed with the US patent office and based on the EPO's in-house classification standards, provides an effective classification system for efficient document retrieval. Its growing popularity with many patent offices around the world, including KIPO, shows that CPC is the future global standard in terms of a refined classification.

## Cooperation on Patents Between Europe and Korea

Our close cooperation with the Korean Intellectual Property Office (KIPO) has been pivotal for these projects. Going back more than 20 years, EPO-KIPO cooperation is one of the most fruitful international cooperation schemes in the field of patents.

Through the partnership both have shared procedural solutions, patent publications, search tools, classification and examination results, and made these available to users of the patent system. Recent achievements include providing users with access to file inspection for EPO and KIPO files through the Global Dossier; exchanging and publishing comprehensive legal status information related to each other's patents and patent applications; and prioritizing filings and sharing work results and citations for a more efficient patent granting procedure.

### Harmonizing the Global Patent System

EPO-KIPO relations are not only mutually beneficial to the two regions, but also fundamental to the development of an effective patent system at the global level that meets the needs of innovative companies. The EPO and the KIPO are cooperating closely in the framework of the IP5, a grouping of the five largest patent offices in the world, which also includes the offices of the US, Japan and China. Set up in 2007, the IP5 cooperation aims at advancing patent harmonization and patent quality by aligning procedures and reducing unnecessary duplication of work among our five offices.

In today's global technology markets, companies and inventors often file patents for their inventions in multiple countries in parallel. Keeping track of these applications can be a challenge. Through the IP5 we have launched, several initiatives has helped our users manage their applications more effectively and thus save time and money.

### A Single Patent for Europe

A major boon for business will be the much-awaited creation of a unitary patent and Unified Patent Court for Europe. The unitary patent, to be granted and administered by the EPO, will complement existing routes to patent protection in Europe and provide a truly uniform patent protection in the 25 EU participating member states. It will simplify procedures and lower costs for patent owners. It will also provide greater transparency and legal certainty thanks to the introduction of a Unified Patent Court – a dedicated court for patents ruling on both EPC and unitary patents.

The unitary patent could come into effect already in the second half of 2016. That is good news for businesses in Europe, especially SMEs and research institutes, and will make Europe even more attractive for inventors from all over the world. For Korean companies, too, the new patent will offer an interesting alternative to existing patent protection schemes.

For more information, please visit our website: [www.epo.org](http://www.epo.org).

## The Superpowers of the European Commission in Antitrust Matters

As custodian of competition within the European Union, the European Commission, or the "Commission", has significant investigation powers, particularly the ability to carry out unexpected dawn raids, which is one of the most traumatic for companies. The chances of successfully challenging these dawn raids in court seem at present virtually impossible. The Commission's wide-ranging competence has been upheld and confirmed over the years by European judges in Luxembourg, at the level of both the General Court and the Court of Justice within the framework of an ex post review of the Commission's decisions, judged sufficient in the Court of Justice's Deutsche Bahn ruling of June 18, 2015.

Their most recent case law confirms these vast powers and recalls that companies, when facing a dawn raid, must adopt a cooperative approach with the Commission. A ruling of November 25, 2014 by the General Court concerning French telecom incumbent Orange confirmed the Commission's very extensive decision making powers regarding dawn raids.

Even though all the conditions appeared to be fulfilled for the General Court to annul the Commission's decision to carry out a dawn raid at Orange's premises, as the Commission suspected an abuse of dominant position in the internet connectivity sector, the General Court fully supported the Commission's decision.

In the meantime, between the dawn raid and the General Court's ruling, the Commission had closed its investigation, concluding that there was no anticompetitive behaviour by Orange. Worse still, the French Competition Authority had

already investigated Orange for the same facts without fining the company, albeit after commitments had been offered by Orange. The General Court found it disappointing that the Commission had not asked the French Competition Authority for its file, without considering such omission as illegal. Finally, although a necessary condition for launching a dawn raid according to the Nexans ruling on November 14, 2012, the General Court did not even verify whether the Commission actually had reasonable grounds for suspecting an infringement of competition law, as it considered that the scope of the investigation had been defined with "enough precision" in its decision.

The European Court of Human Rights considers that the absence of a prior judicial review of the decision authorizing the dawn raid can be counterbalanced by an ex post one as long as such judicial review is "effective", which is a solution recalled by the Delta Pekarny judgment of October 2, 2014. The effectivity of such a review before the General Court and Court of Justice now seems purely hypothetical.

### The Limit to the Commission's Powers: Fishing Expeditions

In a ruling of June 18, 2015 concerning Deutsche Bahn, the Court of Justice recalled one of the only limits to the Commission's investigations powers. In 2011, the Commission conducted three dawn raids at the premises of Deutsche Bahn. Prior to the first dawn raid, the inspectors were given details of another suspected antitrust practice. This other suspected infringement was, however, not referred to in the Commission's decision authorizing the first dawn raid.

During the first dawn raid, the Commission seized documents related to the other suspected infringement and, on the basis of such information, carried out two further dawn raids. The Court of Justice ruled that the first inspection was erroneous because it did not refer to the other suspected infringement for which the Commission nonetheless seized documents. Consequently, the Court of Justice annulled the second and third dawn raid decisions on the grounds of infringement of the rights of defence.

The Commission's broad powers of investigation are indeed limited by its requirement "to state reasons for its decision" authorizing a dawn raid and by the fact that "the statement of reasons for that decision circumscribes the powers conferred on the Commission's agents, a search may be made only for those documents coming within the scope of the subject-matter of the inspection." (Court of Justice's Deutsche Bahn ruling of June 18, 2015, paragraph 60). In other words, the Commission cannot go on a so-called "fishing expedition" when dawn raiding a company.

During the dawn raid, companies must therefore be careful of the documents being seized by the Commission and must, via their counsels, oppose the seizure of any document unrelated to the scope of the investigation as described in the Commission decision authorizing the dawn raid. However, the balance between cooperation and the exercise of its rights of defence can be tricky.

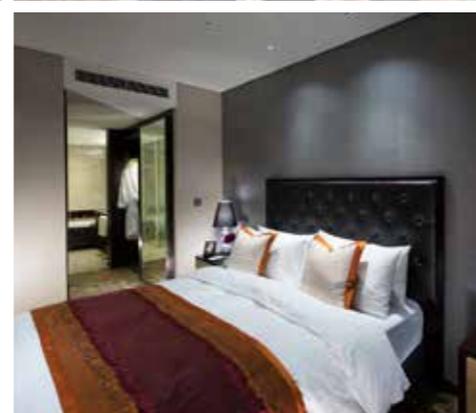
### Companies Must Cooperate with the Commission during a Dawn Raid

Indeed in a ruling of November 26, 2014 relating to Energetický, a Czech company, the General Court recalled how cooperative companies must be during the dawn raid. Because some employees did not follow the Commission's instructions, in this case regarding restricted access to emails during the dawn raid (including employees working from home), the Commission imposed a EUR 2.5 million fine, confirmed by the General Court.

The judgement confirms the wide ranging powers of the Commission during dawn raids and recalls how burdensome these unexpected visits are for companies. The judgement is a clear reminder that companies must be very cautious not only regarding physical seals placed on doors by the Commission, the breaking of which has already led to a fine as high as EUR 38 million against E.ON, a German energy group, in 2008, but also regarding IT material. To prevent any uncooperative behaviours from employees while being inspected, it is important that managers are well-trained to handle Commission dawn raids to not provoke any costly incidents.



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## Lee Younghee– Baram Baraem

LEE YOUNGHEE-BARAM BARAEM is an exhibition of her career during the last four decades as a fashion designer who reinterpreted Korean artistic traditions and future dreams and wishes. She delivered her wish to pass down and promote the beauty of Korean traditional culture and *hanbok* to the audience. The exhibition is currently held at the Dongdaemun Design Plaza.

### Lee Younghee

Born in 1936, Lee Younghee became a fashion designer in 1977 when she opened “Korean Dress by Lee Younghee”. From then on, she decided to modernize and globalize *hanbok*. In the mid-80s, she was shocked when a Korean journalist she met in Paris asked her, “What brings you here?”; it was when she was determined to make *hanbok* a part of the fashion scene in Paris. In 1993, she participated in pret-a-porter in Paris for the first time as a Korean designer. In the following year, she opened the first Korean boutique in Paris, which was selected as “the prettiest store in Paris” several times. She had the exhibition “*Hanbok: Clothes of Wind*” in the Orangerie Museum, in Luxembourg Palace, Paris, in 1996, and the fashion performance *Wind of History* in the main hall of Carnegie Hall, New York in June 2000. Furthermore, in 2001, she held a Lee Younghee Fashion Show in Pyongyang by invitation, bringing out harmonious exchange between South and North Korea through traditional clothes. In September 2004, she opened the Lee Younghee Korea Museum in Manhattan, New York. In November 2005, the *durumagi* she made for leaders of 21 countries who attended the Busan APEC Summit was praised by the leaders. In May 2007, the clothes she designed to celebrate opening of the Korean hall in the Smithsonian Museum, Washing-

ton D.C., became permanently owned by the institution. In 2008, she was selected as one of the “60 International Artists” for a Google artist campaign. Currently, she is the CEO of Maison de Lee Younghee, director of Future Culture (Lee Younghee Korea Museum), adjunct professor of fashion design at Dongduk Women’s University, and professor of costumes at Korea National University of Arts.

### Hanbok of Lee Younghee

“I wanted to make *hanbok* that brings out the authentic beauty and colors of Korea’s traditional clothes, and share the beauty of *hanbok* I discovered.”

LEE YOUNGHEE-BARAM BARAEM is an exhibition intended to promote *hanbok* and introduce the design world created by Lee Younghee who is passing down and developing the unique beauty of it.

The Lee Younghee Baram Baraem shows the spatial structure and comfort of *hanbok*, which was recreated in a space based on the design of *hanbok* that allows extra space within the clothes. As the old Korean saying “tight clothes do not allow fortune to come in” suggests, the generous fit of *hanbok* is an important element as it allows space for fortune to come in. The audience will come in through the space between the layered fabrics and view the exhibition while feeling the beauty as they go through the structural design of *hanbok*.



This generous design was derived from the unique flatness of *hanbok*, which is the characteristic that is most distinguished from Western clothes. The extra space is created when a *hanbok*, which is designed and cut on a flat surface, is put on a three-dimensional body, revealing the comfortable yet elegant silhouette. The beautiful *jeogoris* the audience see as they enter the exhibition hall were installed in a way that highlights the flat nature of *hanbok*, in the form of installation art rather than the familiar top we normally see. This change of perspective will help the audience to rediscover the beauty of *hanbok*.

#### Clothes of Wind

"I find tradition by removing it. I love the 'Clothes of Wind' because they can be transformed infinitely but also always return to the simplest plane." "Clothes of Wind" is the most well-known work of Lee Younghee and has been often introduced in the media. Although the phrase "Clothes of Wind" was originally a nickname of *hanbok* given by Laurence Benaim who was a senior fashion reporter of *Le Monde*, since mid-1990s, it refers to the "hanbok-based dress without *jeogori*" that is characteristic of Lee Younghee. "Clothes of Wind" has been shown in many fashion shows and media in Korea and elsewhere, but not many people have been able to see the beauty of it with their own eyes. This exhibition showcases the unique freedom and elegance of "Clothes of Wind", based on its movements of trailing the wind. Following the light art inspired by "Clothes of Wind" and created by the artist Park Jaeseong, you will encounter "Clothes of Wind" dancing with the wind. Also, the photographer Kim Jungman, who has already collaborated with Lee Younghee several times, filmed a video of the photo shoot for this exhibition so the audience can experience the beautiful movement of "Clothes of Wind" through a different medium.

#### Inspiration and Attempt

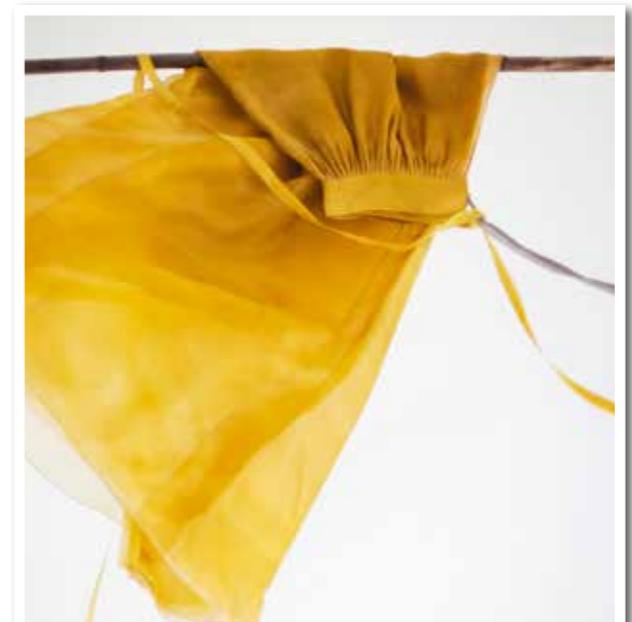
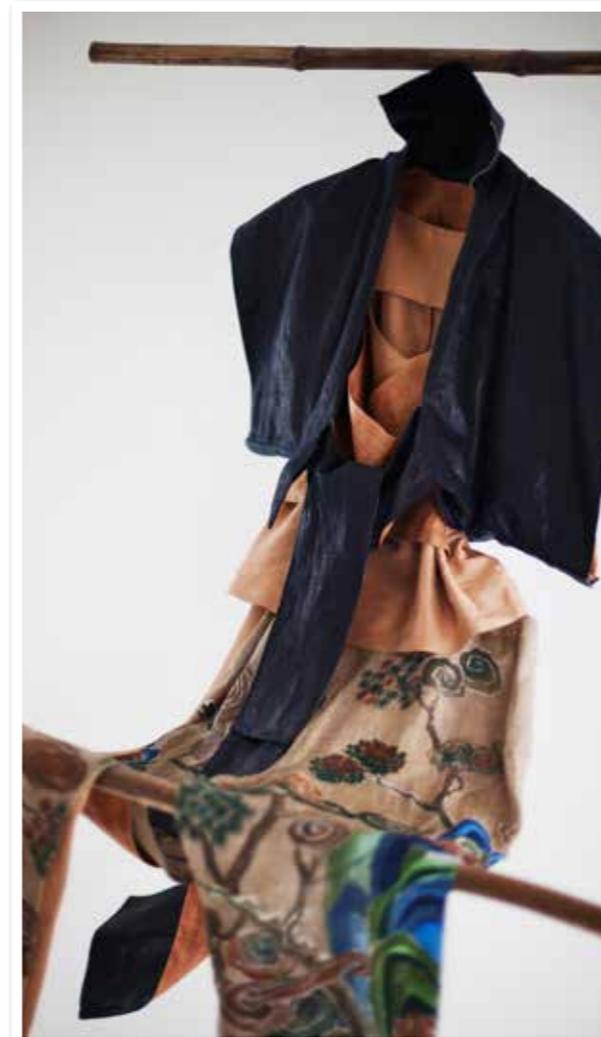
"If you don't know the past, you don't have the present,

and, if you ignore the past culture, you cannot have present culture. Tradition is to be felt, not to be spoken." Designer Lee Younghee always emphasizes that the future is developed by creating new things based on the past. She has been studying materials, forms, and dyeing methods of traditional *hanbok* and made new attempts to establish unique design.

A traditional Korean fabric, *Hansan mosi* is an important, intangible cultural heritage and is woven by a traditional method that became listed as a UNESCO Intangible Cultural Heritage in 2011. Lee Younghee has shown designs based on traditional fabrics, for instance, when she included *hanbok* and dresses that used unique nature of *Hansan mosi*. In this exhibition, she will again emphasize the beauty of traditional fabrics through installation that was designed to highlight the nature and beauty of *Hansan mosi*.

In addition to traditional *hanbok*, she draws inspiration from traditional accessories like patchwork, *binyeo*, *jokduri*, *beoseon*, and floral shoes. In the Lee Younghee Baram Baraem, she showcases a collection of these items that inspired her along with *hanbok*, presenting both its traditional beauty and reinterpretations. The audience will experience beautiful harmony of *saekdongjeogoris* that were inspired by traditional patchwork.

Also, the use of colour schemes that are not easily found in traditional *hanbok* allows the audience to see the unique sense of colors that is often defined as "Lee Younghee's colors." Sometimes, she paints an orchid or modern patterns directly on the traditional *hanbok*, or uses beautiful and elegant indigo, which is created in a natural way, on a modern design *hanbok*. A *hanbok* that is designed in traditional, sophisticated colors, becomes a modern *chima jeogori*, and the skirt with glamorous patterns, which was showcased in her first show, is refined in a way that impressed even the Western designers. In this exhibition, experience various works of designer Lee Younghee who made relentless attempts to create new design based on tradition.





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