



2012 Annual Report on Copyright in Korea

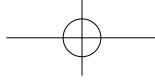




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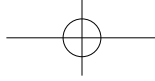




A Message from the Minister of Culture,
Sports and Tourism

2012 Annual Report on Copyright in Korea

A Message from the Minister of Culture, Sports and Tourism



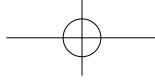
A Message from the Minister

A new administration was recently inaugurated in Korea and one of its policy priorities is to “realize a cultural renaissance”. Against this backdrop, efforts to reassess the value of culture are being made more vigorously than ever. In addition, the economic paradigm is being shifted from the past industrial economy where the source of value creation was labor, capital and knowledge to the creative economy, which is based on imagination and creativity.

Copyright lies in the heart of all these changes. Copyright is the foundation for the advancement of culture and the arts, together with the growth of the contents industry, by providing a guarantee for rewards corresponding to efforts to create high-quality contents. It is also the driving force leading the era of the creative economy. In a society where copyright is not respected and legitimate rewards for creators are not guaranteed due to illegal reproductions, it is impossible to realize core values of the creative economy, which are novel creativity and imagination.

Therefore, expansion of education on copyright, the establishment of a firm protection scheme, and facilitation of the public’s stable use of copyrighted works will lay the groundwork for creating high-quality contents, acting as a starting point for achieving a cultural renaissance and realizing the creative economy.

Over the past year, the Korean government implemented a wide range of policy tasks to facilitate the creation, protection and utilization of works, thereby laying the foundation for Korea to join the ranks of leading countries in terms of copyright.



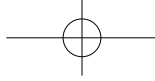
First of all, the Korean government launched the “Webhard registration system” to reduce the distribution of online illegal reproductions. It also operated a digital evidence collection and analysis system regarding infringed copies, dramatically reinforcing investigation capabilities of the Special Judicial Police Force for Copyright Protection. In particular, the government introduced the “Citizens’ Opening Monitoring Project” by recruiting monitoring staff who work from home by using computers, including disabled persons, while operating the “Silver Monitors” to watch infringed works year-round. Such efforts contributed not only to uprooting online and offline distribution of illegal reproductions, but also to creating jobs for socially disadvantaged people.

Meanwhile, in an effort to ensure international protection of Korean copyright, the government has set up an overseas copyright center in Vietnam, while operating a copyright monitoring system in collaboration with the Chinese government, consolidating the foundation for copyright exchanges and cooperation.

As a result of such efforts to protect copyright, Korea’s infringement rate of the potential licensed works market decreased to 16.2% in 2012 from 21.6% in 2009. The U.S. Trade Representative has accordingly excluded Korea from its intellectual property rights watch list for the fifth straight year (2009~2013).

Meanwhile, the Korean government has also pushed ahead with a policy task of “facilitation of fair and convenient use of copyrighted works” in a bid to promote new creation activities and create an environment where the public can use copyrighted works unhindered.

The economic benefit of the utilization of public information is estimated at KRW 10 trillion annually. Advanced countries are therefore actively responding to cultural and economic demand by securing public domain such as expired copyrighted works, dedicated works through donation or permission for free use, and works open to the public by public



organizations free of charge, and expanding services to provide them.

Korea created a database for copyright information on 7.51million works from 2008 to December 2012. Utilizing the database, the Korean government has established the Digital Copyright Exchange where license contracts on copyrighted works can be signed conveniently online. Additionally, the government has also introduced the Korea Open Government License to facilitate the use of public works, while implementing the “Gongu madang”, a public works portal in which users can search and use public works.

This Annual Report on Copyright is not only a report submitted before the public to assess to what extent the government’s copyright policy satisfied expectations of Korean society regarding development of the culture and related industries, but also the government’s declaration of commitment to further reinforcing the public nature of copyright policy in the future.

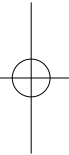
I hope that this Annual Report on Copyright will serve as a “grain of wheat” in becoming a history for the future copyright policies and creating a virtuous cycle where abundant creative assets can be accumulated on a national level.

유진룡

Yoo Jinryong

Minister of Culture, Sports and Tourism

October 2013





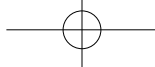


Introduction to Government
and Public Institutions

2012 Annual Report on Copyright in Korea

Introduction to Government and Public Institutions

- I. Ministry of Culture, Sports and Tourism
- II. Korea Copyright Commission
- III. Copyright Protection Center



I. Ministry of Culture, Sports and Tourism

1. Organization and History

Currently, the government ministry in charge of the formulation and enforcement of copyright policies in Korea is the Ministry of Culture, Sports and Tourism (hereinafter referred to as “MCST”). The MCST has established copyright policies and implemented a wide range of activities related to copyright protection since 1987. Following several organizational reshuffles, the MCST currently has three copyright-related divisions and one team under the Office of Copyright Policy General (Copyright Policy Division, Copyright Industry Division, Copyright Protection Division and Culture & Trade Team).

With the advent of the digital network era, the creation, distribution and usage of copyrighted works have become more diverse, leading to an increased demand for and functions of related policies, as well as the enlargement of related divisions. Initially, there was only one division handling copyright-related matters when such work came under the control of the Ministry of Culture, Sports and Tourism (then known as the “Ministry of Culture and Public Information”). Approximately 20 years thereafter, it grew to have three divisions and one team in charge of copyright matters and the number of staffs also increased from 10 to about 60.

The human resource increase is primarily attributable to the appointment of a corps of copyright special judicial police officers. These police officers are assigned to regional offices in major cities of Korea (Seoul, Busan, Daejeon, Gwangju and Daegu) and their major responsibility is to crack down on illegal copyright infringements.

The history of structural reorganization with respect to copyright policy within the MCST is shown as follows:



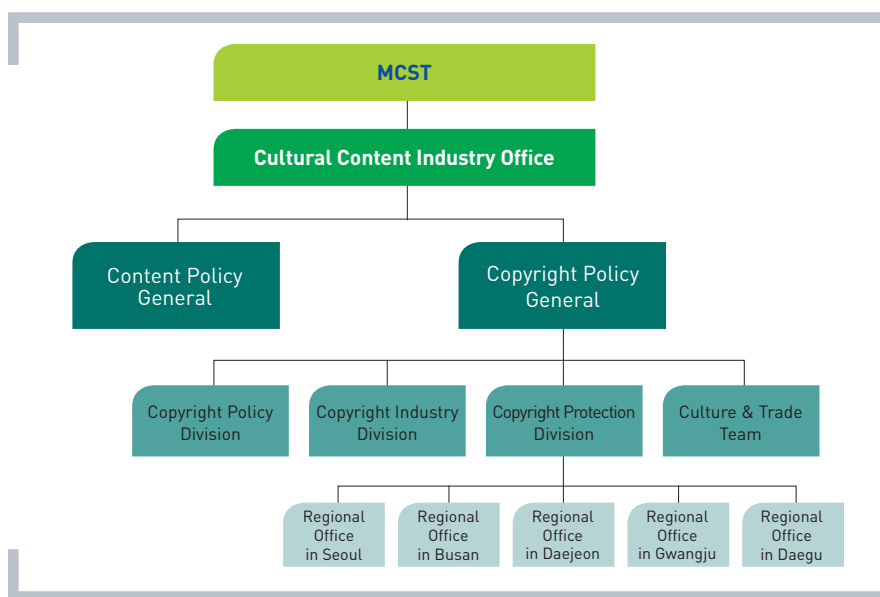
History of Structural Reorganization Concerning Copyright

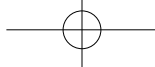
July 1968	Copyright administration transferred from the Ministry of Education
Dec. 1987	Copyright Division established within the Ministry of Culture and Public Information
Aug. 2005	Copyright Division transferred from the Culture Policy Bureau to the Culture Industry Bureau
July 2006	Following a government reorganization, name changed from "Copyright Division" to "Copyright Team"
May 2007	Copyright Team enlarged and divided into Copyright Policy Team and Copyright Industry Team
Feb. 2008	The position of "Copyright Policy Directorate General" established
Mar. 2008	Computer program protection-related affairs transferred from the Ministry of Information and Communication to the MCST
Aug. 2008	Copyright Protection Team established
Jan. 2009	Trade Cooperation Team established
May 2009	Trade Cooperation Team integrated into Copyright Policy Division
Aug. 2012	Culture & Trade Team established

Below is the current organizational chart with respect to copyright policymaking and implementation.

Organizational Chart

(As of 2012)





The following are the main tasks of each division in charge of handling copyright matters:

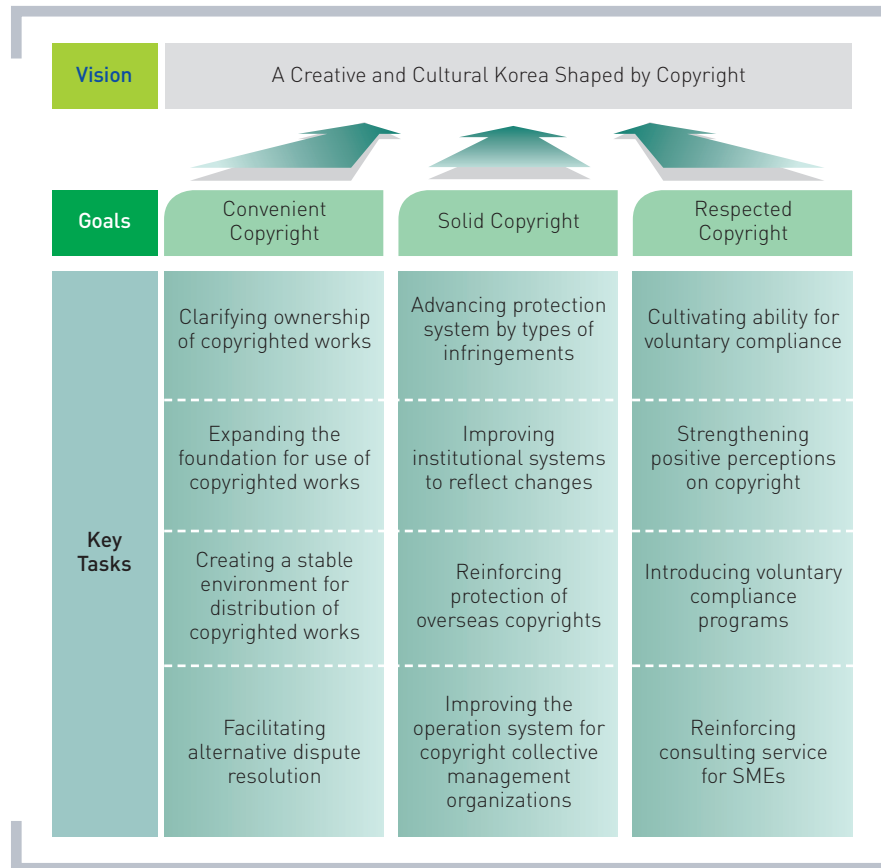
Main Tasks of Each Division in Charge of Handling Copyright

Division	Main tasks
Copyright Policy Division	Improving copyright-related laws and institutional systems; Supervising the Korea Copyright Commission; Promoting copyright education and public awareness campaigns; Enhancing copyright protection oversea
Copyright Industry Division	Laying the foundation for transaction of copyright (registration/authentication); Standardizing copyright protection and management technologies; Guiding and supervising copyright management organizations and copyright brokerage organizations; Managing copyright statutory license and copyright donation systems, etc.
Copyright Protection Division (including five regional offices)	Crackdown on distribution of illegal reproductions online/offline; Support for the operation of the Copyright Protection Center; Ordering suspension of online transmission of illegal reproductions or their deletion and imposing fines and taking other appropriate measures; Support for the development and operation of illegal reproduction tracking and management system, etc.
Culture and Trade Team	Planning/coordination of trade policies in the cultural sector including FTAs/ Cooperation with copyright-related international organizations such as the World Intellectual Property Organization (WIPO), foreign governments and agencies

2. Policy Vision and Strategies for 2012

In response to the changes in the global copyright policy environment, the Korean government presented a policy vision “creating a copyright ecosystem of balance and shared growth” and produced four key tasks: 1) Establishing a flexible, communicating copyright system; 2) building a seamless copyright protection network; 3) advancing the copyright use and distribution system; and 4) raising copyright awareness in everyday life.

Policy Vision and Key Tasks for 2012



II. Korea Copyright Commission

The Korea Copyright Commission (hereinafter referred to as “KCC”) is the nation’s sole agency dedicated to copyright-related affairs. It plays a pivotal role in the protection of copyright, promotion of the legitimate use

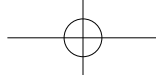


of works, and development of the copyright industry. The KCC is faithfully fulfilling its roles ranging from deliberating copyright-related issues, mediating copyright disputes, researching policies and legislations on copyright, providing copyright education and public awareness programs, to serving as a copyright registration agency.

Furthermore, it endeavors to raise public awareness of the importance of the copyright industry, while providing support for the advancement of Korean copyrighted works into the overseas market and protection of their copyright overseas.

1. General Facts

- **Date of Establishment:** July 23, 2009
- **Number of Staff:** 95
- **Basis for Establishment:** Article 112 of the Copyright Act
- **History**
 - July 1, 1987: Establishment of the Copyright Commission for Deliberation and Conciliation (formerly “Copyright Commission”)
 - Aug. 2000: Delegation of additional responsibilities (copyright registration, statutory license, compensation standards determination)
 - Dec. 29, 1987: The Program Deliberation Commission (formerly “Computer Programs Protection Commission” is established.
 - Jan. 2005: Establishment of the Digital Content Use Protection Center in CPPC. (Computer Programs Protection Commission)
 - Apr. 2007: Establishment of the Illegal Software Reproduction Report Center in CPPC. (Computer Programs Protection Commission)
 - July 23, 2009: Merging of the two commissions and launching of the Korea Copyright Commission.
- **Main Functions**
 - Operation of the dispute resolution system, including mediation and conciliation of copyright disputes
 - Fair deliberation on fees and royalties of collective management organizations
 - Promotion of legitimate and fair use of works



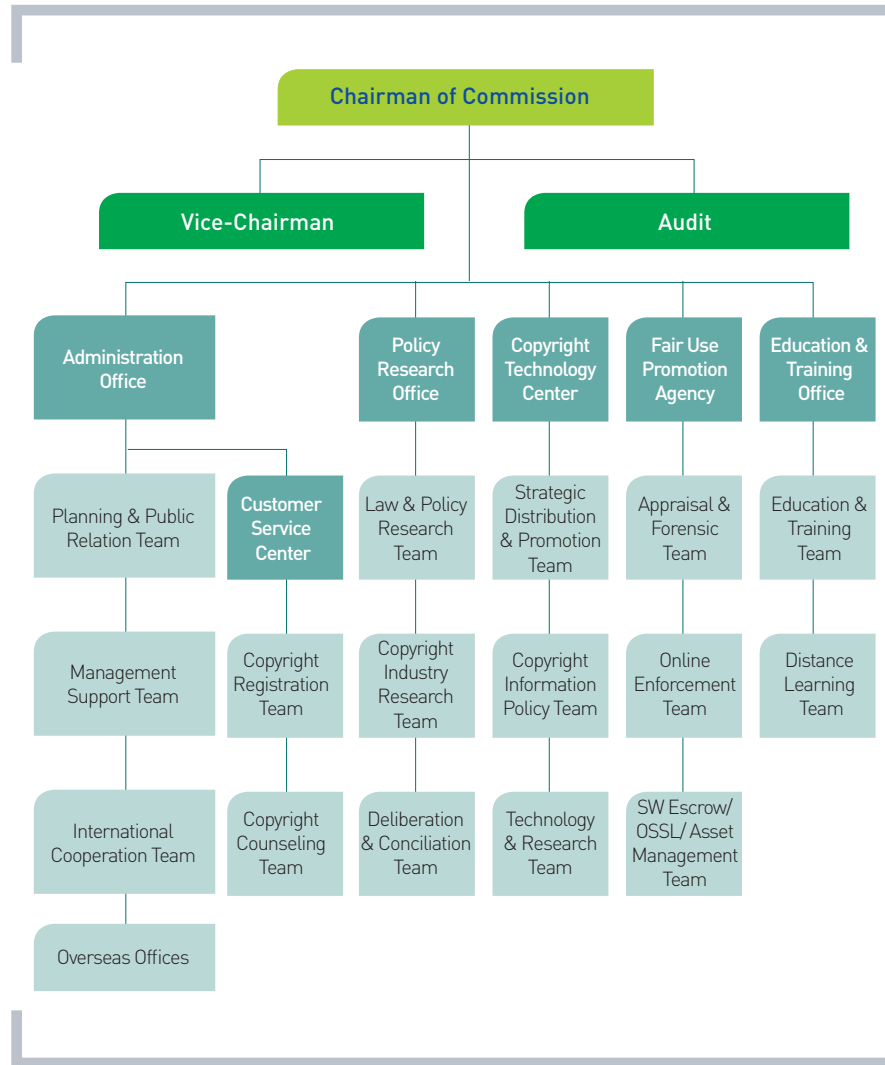
- International cooperation for copyright protection
- Education and training on copyright, training of professional staffs, public awareness programs
- Support for formulation of copyright policies and carrying out tasks entrusted to the KCC in accordance with laws, etc
- Support for formulation of policies on technological protection measures and rights management information
- Establishment and operation of a copyright information management system to provide information on copyright
- Research into copyright information technology
- Appraisal on copyright infringements, etc
- Issuance of recommendations for correction to online service providers of illegal reproductions and requesting the MCST Minister to issue corrective orders
- Copyright registration, copyright authentication, and management of economic rights donated
- Computer program source codes and technical data escrow
- Conducting surveys on status of copyright trade and industry and generating statistics
- R&D on copyright technology and digital copyright forensics-related activities.

2. Organizational Chart

(one secretariat, one office, one center, one bureau, one institute, 16 teams)

Organizational Chart of the KCC

(As of 2012)





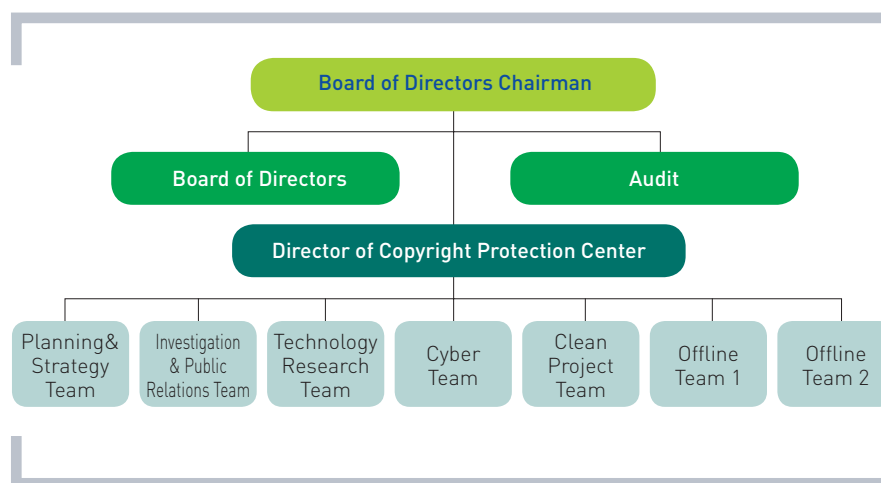
III. Copyright Protection Center¹

1. General Facts

- **Date of Establishment:** April 2005
- **Number of Staff:** 65
- **Main Functions**
 - Cracking down on illegal reproductions online and offline in accordance with provisions of “Notification of designation of organizations entrusted to crack down on illegal reproductions”
 - Establishment of an IT-based enforcement system
 - Implementation of “Clean Project” aimed to protect copyright and conducting research and public awareness activities

2. Organizational Chart

Organizational Chart of the Copyright Protection Center (As of 2012)



¹ Notification of designation of entrusted organizations pursuant to Paragraphs 1 through 3 of Article 133 of the Copyright Act and Article 70 of the Enforcement Decree of the same Act

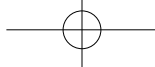




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Copyright Policy and Institutional Improvement

- I. History of the Copyright Act of Korea
- II. Overview of the Copyright Act of Korea
- III. International Trade Activities and Status of
Membership of International Treaties
- IV. Major Legal Cases on Copyright



I. History of the Copyright Act of Korea

Since its enactment in 1957, the Copyright Act of Korea has undergone amendments 20 times, including full amendments in 1986 and 2006, to proactively accommodate and respond to the advancement of digital technology, the changing environment for using copyrighted works, and international trends of copyright protection.

Enactment & Amendments	Description	Date of Promulgation
Enactment	<ul style="list-style-type: none">Enactment of the Copyright Act of Korea	Jan. 28, 1957
1st Amendment (1st Complete Revision)	<ul style="list-style-type: none">Introduction of internationally recognized regimes to join international conventions such as Universal Copyright Convention	Dec. 31, 1986
2nd Amendment	<ul style="list-style-type: none">Amendment of relevant provisions following the amendment to the Government Organization Act	Dec. 30, 1989
3rd Amendment	<ul style="list-style-type: none">Amendment of relevant provisions following the amendment to the Government Organization Act	Dec. 27, 1990
4th Amendment	<ul style="list-style-type: none">Change of names of relevant Acts with the enactment of the Library Promotion Act	Mar. 8, 1991
5th Amendment	<ul style="list-style-type: none">Amendment of relevant provisions following the amendment to the Government Organization Act	Mar. 6, 1993
6th Amendment	<ul style="list-style-type: none">Extension of protection term of copyright neighboring rights and imposition of more rigorous penalties, etc.	Jan. 7, 1994
7th Amendment	<ul style="list-style-type: none">Change of names of relevant Acts following the amendment to the Libraries and Reading Promotion Act	Mar. 24, 1994
8th Amendment	<ul style="list-style-type: none">Amendment of the Copyright Act to reflect the content of WTO TRIPS and bringing of the copyright protection level to international standards for the accession to Berne Convention	Dec. 6, 1995
9th Amendment	<ul style="list-style-type: none">Introduction of a hearing system for such cases as revocation of copyright collective management services	Dec. 13, 1997
10th Amendment	<ul style="list-style-type: none">Introduction of the right of interactive transmission, expansion of the scope of immunity for libraries, and imposition of more rigorous penalties, etc.	Jan. 12, 2000



Enactment & Amendments	Description	Date of Promulgation
11th Amendment	<ul style="list-style-type: none">Provision of sui generis protection of database producers and clarification of the scope of responsibilities of online service providers	July 10, 2003
12th Amendment	<ul style="list-style-type: none">Granting of the right of interactive transmission to performers and phonogram producers	Oct. 16, 2004
13th Amendment	<ul style="list-style-type: none">Change of names of relevant Acts following the amendment to the Library Act	Oct. 4, 2006
14th Amendment (2nd Complete Revision)	<ul style="list-style-type: none">Introduction of the concepts of public transmission and digital sound transmissionChange of the organization name to the Copyright Commission granted with more responsibilities.Introduction of orders to collect, discard, delete and suspend illegal reproductions, etc.	Dec. 28, 2006
15th Amendment	<ul style="list-style-type: none">Amendment of relevant provisions following the amendment to the Government Organization Act	Feb. 29, 2008
16th Amendment	<ul style="list-style-type: none">Granting of immunity to the National Library of Korea when it collects online materials for preservation purposes.Clarification of the scope of specialized recording formats for the exclusive use by visually impaired persons, etc.Introduction of the right to claim remuneration for public performances for performers and phonogram producers.	Mar. 25, 2009
17th Amendment	<ul style="list-style-type: none">Integration of the Copyright Act and the Computer Program Protection ActEstablishment of the Korea Copyright Commission granted with more responsibilities.Strengthening of measures to prevent illegal online reproductions etc.	Apr. 22, 2009
18th Amendment	<ul style="list-style-type: none">Change of names of relevant Acts following the amendment to the Act on the Advancement of Newspapers, etc.	July 7, 2009
19th Amendment	<ul style="list-style-type: none">Reflection of the Korea-EU Free Trade Agreement	June 30, 2011
20th Amendment	<ul style="list-style-type: none">Reflection of the Korea-US Free Trade Agreement	Dec. 2, 2011



II. Overview of the Copyright Act of Korea

1. Purpose of the Copyright Act

The Purpose of the Copyright Act is to protect the rights of authors and the rights neighboring them and to promote the fair use of works in order to contribute to the improvement and development of culture and related industries (Article 1).

2. Definition and Types of Works

“Works” shall mean creative productions in which human ideas or emotions are expressed (Article 2, Paragraph 1). The Copyright Act specifies nine types of works, namely: literary works, musical works, theatrical works, artistic works, architectural works, photographic works, cinematographic works, diagrammatic works, and computer program works (Article 4). All other creative productions that meet the requirements of works shall be protected by the Copyright Act.

3. Authorship and Copyright

In principle, authors shall be natural persons, yet exceptionally legal persons (corporations, organizations and other employers) may be considered authors (Article 9). The works by legal persons are specifically termed as “works made during the course of duty.”

Copyright consists of moral rights and economic rights. Moral rights include the right to publicize, the right of paternity and right of integrity. Economic rights include the right of reproduction; the right of public



performance; the right of communication to the public (including the right of broadcasting, the right of interactive transmission, the right of digital sound transmission); the right of exhibition; the right of distribution; the right of rental; and the right of production of derivative works.

4. Creation and Transfer of Copyrights

1) Creation of Copyrights

Copyright exists the moment the work is created and it adopts the principle of automatic protection which does not require any procedures or formalities (e.g., presentation of a specimen copy, deposit or registration).

2) Transferability of Copyrights

Economic rights may be transferred in whole or in part. However, moral rights are only owned by the author; thus they are neither transferred to nor inherited by another person.

5. Limitations to Authors' Economic Rights

Authors' economic rights are their rights to use their works exclusively. However, given that works are created with direct or indirect support from society, unlimited recognition of authors' exclusive rights may not be in the public interest and may even hinder cultural development; thus economic rights are limited in certain circumstances. The Copyright Act of Korea stipulates limitations to economic rights for works other than computer programs in Article 23 through Article 38 and those for computer programs in Article 101-3.

6. The Term of Protection for Economic Rights

In principle, economic rights shall continue to subsist during the



lifetime of the author and 50 years² after the death of the author. In the case of joint authorship works, the economic rights shall continue to subsist for a period of 50 years from the death of the last surviving author. In the case of anonymous or pseudonymous works, works created for hire, cinematographic works, computer programs, economic rights shall continue to subsist for a period of 50 years after they have been made public. The term of protection of the author's economic rights shall be calculated from the beginning of the year following the date the author died or the work is made public.

7. Statutory License

Under the statutory license, any person who, despite considerable efforts, could not identify or locate the holder of economic rights in a work or make contact even when the rights holder is known and thus is unable to obtain the authorization of the rights-holder for the work's exploitation, may exploit the work upon obtaining the approval of the Minister of Culture, Sports and Tourism. The Korea Copyright Commission is entrusted with the function to grant a license on behalf of the MCST Minister (Article 50, Article 130).

8. Effect of Copyright Registration

Legal protection of copyright is provided even when the copyright is not registered. Copyright registration is handled by the Korea Copyright Commission. If it is registered, however, the following legal benefits are provided:

1) Legal Presumption

A person whose real name is registered as the author of a registered work shall be presumed as the author of the work. A work for which its date of

² The term of protection for economic rights will be extended to 70 years starting from July 1, 2013 with the amendment to the Copyright Act for the implementation of the Korea-US Free Trade Agreement.



creation or the initial date of disclosure is registered shall be presumed to have been created or made public on the registered date. However, if a work is registered more than one year after its creation, it shall not be presumed to have been created on the date registered. In addition, when a registered work is infringed upon, it shall be presumed that the infringement has occurred due to negligence at least.

2) Priority of Rights between Conflicting Parties

In case a party is assigned with economic rights or the right to publication is established and these rights are registered, the registered assignee or the registered owner of the publication rights shall prevail over the duplicate assignee or the duplicate publication right holder.

9. Neighboring Rights

Neighboring rights are rights granted to those who have made capital investments or creative contributions in delivering copyrighted works to the public. The subjects of neighboring rights include performers, phonogram producers, and broadcasters. Performers have the right of indicating their names, the right of maintaining integrity, the right of reproduction, the right of distribution, the rental right, the right of public performances (live performances), the right of broadcasting performances (live performances), the right of interactive transmission, the right of claiming remuneration for broadcasting commercial phonograms, the right of claiming remuneration for digital sound transmission, and the right of claiming remuneration for public performances of commercial phonograms. On the other hand, phonogram producers have the right of reproduction, the right of distribution, the rental right, the right of interactive transmission, the right of claiming remuneration for broadcasting commercial phonograms, the right of claiming remuneration for digital sound transmission, and the right of claiming remuneration for public performances of commercial phonograms. Broadcasters have the right of reproduction and the right of rebroadcasting.



Neighboring rights shall be protected for a period of 50 years³ from the time when the live performance takes place, the phonogram is published, and the broadcast is made.

10. Remedies for Infringement

Persons whose copyrights have been infringed may seek civil or criminal remedies. With respect to civil remedies, the copyright holder may file a lawsuit with the court against the alleged infringer to demand prevention of infringement, suspension of infringement, restitution of unjust enrichment, and compensation for damages, etc. The time limit for claiming compensation is 10 years from the date of the illegal activity or three years from the date when the damage and the infringer are identified.

In the case of criminal remedies, copyright infringement is an offense subject to prosecution upon complaint by the copyright owner within six months from the date when the alleged infringer is identified. Therefore, the investigation authorities may not prosecute the suspect upon a complaint filed by a third party whose copyright has not been infringed. Yet, exceptions apply to cases where the copyrights are infringed for profit-making purposes or repeatedly. If a person obtains with bad intent a reproduced program which has been made by infringing upon others' copyright and uses it in the course of performing his or her duty, such offense shall be categorized as a "no-prosecution-contrary to victim's intent" offense⁴.

Any person who infringes upon economic rights of an author or a performer, etc. may be subject to imprisonment for not more than five years or a fine of not more than KRW 50 million or both. Any person who infringes upon moral rights may be subject to imprisonment for not more than three years or a fine of not more than KRW 30 million or both.

³ The term of protection for phonograms of live performances shall be extended to 70 years starting from August 1, 2013 with the amendment to the Copyright Act for the implementation of the Korea-US Free Trade Agreement.

⁴ The "no-prosecution-contrary to victim's intent" offense refers to an offense which is not subject to prosecution because the victim expresses the intention that he or she does not want the prosecution of the suspect.



III. International Trade Activities and Status of Membership of International Treaties

1. Korea's Active Pursuit of and Participation in Trade Negotiations

As of December 2012, intellectual property rights are included as a chapter in all Free Trade Agreements (FTAs) except for the Korea-ASEAN FTA among the ten FTAs signed between Korea and other countries. Among them, the Korea-US FTA and the Korea-EU FTA stipulate many TRIPS-Plus provisions that go beyond TRIPS Agreement criteria.

Key points of the Korea-US FTA that went into effect in March 2012 include protection of temporary reproduction, introduction of fair-use provisions, introduction of exclusive publication rights, introduction of a procedure to request information on the alleged infringer, protection of encrypted broadcasting signals, anti-camcording, and expansion of the scope of infringement offences prosecuted ex officio.

In 2010, Korea held FTA negotiations with Australia, New Zealand, Turkey and Columbia and concluded FTA negotiations with Turkey in March 2012 (Framework Agreement, Agreement on Trade in Goods) and with Columbia in June 2012. Korea also resumed FTA negotiations with Canada in 2012, and agreed to resume FTA negotiations with Mexico. In March of the same year, Korea agreed to declare commencement of the Korea-Indonesia CEPA (Comprehensive Economic Partnership Agreement) negotiations and the first-round of negotiations were held in July. In September 2012, Korea held the first-round of FTA negotiations with Vietnam, which is rapidly emerging as a growing export market for Korea. As such, Korea has further expanded the nation's sphere of trade through FTA negotiations with emerging markets. Meanwhile, in May 2012,

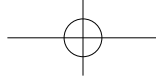


Korea declared the launch of the FTA negotiations with China to build the foundation for protecting Korea's interests in China, which is achieving rapid economic growth, and conducted the fourth-round of negotiations in October 2012.

FTA Status of the Republic of Korea

(As of 2012)

Phase	Country	Status	Significance
FTAs in effect (8 countries)	Chile	Negotiations were launched in Dec.1999; FTA was signed in Feb. 2003; FTA went into effect in Apr. 2004.	Korea's 1 st FTA; Springboard for entry into the Latin American market
	Singapore	Negotiations were launched in Jan. 2004; FTA was signed in Aug. 2005; FTA went into effect in Mar. 2006	Springboard for entry into the ASEAN market
	EFTA (4 countries)	Negotiations were launched in Jan. 2005; FTA was signed in Dec. 2005 FTA went into effect in Sept. 2006. ※ Switzerland, Norway, Iceland, Liechtenstein	Springboard for entry into the European Union market
	ASEAN (10 countries)	Negotiations were launched in Feb. 2005; Trade in Goods Agreement was signed in Aug. 2006; Trade in Goods Agreement went into effect in June 2007; Trade in Service Agreement was signed in Nov.2007; Trade in Service Agreement went into effect in May 2009; Investment Agreement was signed in June 2009; Investment Agreement went into effect in Sept. 2009; ※ Indonesia, Malaysia, Vietnam, Myanmar, the Philippines, Laos, Cambodia, Brunei, Thailand, Singapore	Korea's 3 rd largest trading partner
	India	Negotiations were launched in Mar. 2006; FTA was signed in Aug. 2009; FTA went into effect in Jan. 2010	BRICs member; Mega market
	USA	Negotiations were launched in June 2006; FTA was signed in June 2007; Additional negotiations were concluded in Dec. 2010; Agreed documents were signed and exchanged in Feb. 2011; FTA went into effect in Mar. 2012.	Mega advanced economy
	EU	Negotiations were launched in May 2007; negotiations were concluded in July 2009; FTA was initialed in Oct.2009; FTA was signed in Oct. 2010; FTA went into effect in July 2011	The world's largest economy (based on GDP)
	Peru	Negotiations were launched in Mar. 2009; Negotiations were concluded in Aug. 2010; FTA was signed in Mar. 2011; FTA went into effect in Aug. 2011.	Country rich in natural resources; Springboard for entry into Latin America



Phase	Country	Status	Significance
Concluded FTAs (2 countries)	Turkey	Negotiations were launched in Apr. 2010; FTA was initiated in Mar.2012; FTA was signed in Aug. 2012	Springboard for entry in Europe and Central Asia
	Columbia	Negotiations were launched in Dec. 2009; Conclusion of FTA negotiations was announced in June 2012; FTA was initiated in Aug. 2012.	Country rich in natural resources; an emerging market in Latin America
FTAs under negotiation (8 cases)	Canada	Negotiations were launched in July 2005; 13 th negotiations were held in Mar. 2008.	Advanced economy in North America
	GCC (6 countries)	Negotiations were launched in Jan. 2008; 3 rd negotiations were held in July 2009. ※ Saudi Arabia, Kuwait, UAE, Bahrain, Oman, Qatar	Countries rich in natural resources; Largest economy in Middle East
	Mexico	The existing SECA (Strategic Economic Complementation Agreement) was elevated into FTA and negotiations were resumed in Dec. 2007; 2 nd round of negotiations were held in June 2008.	Springboard for entry into North and Latin Americas
	Australia	Negotiations were launched in May 2009; 5 th negotiations were held in May 2010.	Country rich in natural resources; Key market in Oceania
	New Zealand	Negotiations were launched in June 2009; 4 th negotiations were held in May 2010.	Key market in Oceania
	Indonesia	Launch of negotiations was announced in Mar. 2012; 2 nd round of negotiations were held in Dec. 2012.	Country with a demand for Hallyu (Korean Wave); Building the protection foundation
	China	Korea-China Trade Ministers' Meeting was held in Apr. 2011; Launch of negotiations was announced in May 2012; 4 th round of negotiations were held in Oct.-Nov. 2012.	One of leading exporters; Securing East Asia economies
	Vietnam	Trade Ministers' Meeting was held in Sept. 2012; 1 st round of negotiations were held in Sept. 2012.	Springboard for entry into the ASEAN market

2. Reinforcement of Copyright-related International Cooperation

Multilateral discussions on copyright on the international level are mainly led by the World Intellectual Property Organization (WIPO). WIPO's Standing Committee on Copyright and Related Rights (SCCR), which deals with major agenda on copyright, has mainly discussed such agenda issues as



protection of broadcasting organizations, protection of rights of audiovisual performers and the facilitation of access to published works for the visually impaired and print disabled persons. Discussions on the rights of audiovisual performers were concluded with the adoption of the Beijing Treaty on Audiovisual Performances in June 2012. In the 25thSCCR held in November 2012, intensive discussions were held on the treaty to facilitate access to published works for the visually impaired and print disabled persons and detailed treaty draft was drawn up with the goal of the Treaty's adoption at the Diplomatic Conference in June 2013.

With respect to international protection of traditional cultural expressions/Folklore, which are drawing attention as a new type of intellectual property, WIPO set up the Intergovernmental Committee on Intellectual Property and Genetic Resources, Traditional Knowledge and Folklore (IGC) at the General Assembly in October 2000. Discussions on the topic were held at the 22ndIGC session in July 2012.

Meanwhile, the Korean government has contributed funds-in-trust to WIPO annually to support WIPO-level projects aimed to improve copyright environment for developing countries. As part of the funds-in-trust program, the Korean government has organized the "Study Visit to Korea Copyright Commission in Republic of Korea" every year since 2007 where the Korean government invites copyright policymakers from developing countries in Asia to share Korea's experience and discuss relevant issues, making a great contribution to advancement of copyright-related legal and management systems of participating countries.

In November 2012, the Korean government organized "Interregional Training Program on Copyright Enforcement" designed for copyright protection and enforcement experts in collaboration with WIPO. Twelve professionals in field of copyright enforcement from Asia and Latin America, including those who work for copyright enforcement organizations in the regions, were invited to discuss space change from double to single copyright laws, policies and key issues and learn about Korea's advanced technology on copyright protection and enforcement. Through such efforts, the Korean government is consolidating its position in the international copyright sector, while striving to create an environment favorable to protection of Korean contents in the global market.



In addition to collaborative activities led by WIPO, the Korean government also attends the Intellectual Property Experts Group Meetings (IPEG) under the Asia-Pacific Economic Cooperation (APEC), which is held twice a year to introduce Korea's advanced copyright system and gain insights into the policies of other member states, being engaged in vigorous exchange of policy information.

3. Status of Membership of Copyright-related International Treaties and Conventions

Since it became the signatory of the Universal Copyright Convention in 1987, the Republic of Korea joined the Convention for the Protection of Producers of Phonograms against Unauthorized Duplication of their Phonograms in 1987, the TRIPS Agreement in 1995, the Berne Convention for the Protection of Literary and Artistic Works in 1996, the World Intellectual Property Organization (WIPO) and the WIPO Copyright Treaty(WCT) in 2004, bringing Korea's copyright laws up to international standards. Furthermore, in an effort to strengthen the rights of performers and producers of phonograms and further solidify international cooperation in the area of protection of copyright-related rights, the Korean government acceded to the International Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organizations and the WIPO Performances and Phonograms Treaty(WPPT) in 2008, while joining the Convention Relating to the Distribution of Programme-Carrying Signals Transmitted by Satellite in 2011.

The Korean government has also actively participated in multilateral negotiations on the Anti-Counterfeiting Trade Agreement(ACTA), contributing to the formation of international norms. The ACTA negotiations were launched in Geneva, the Switzerland in June 2007 based on a draft jointly drawn up by the United States and Japan. In 2010, countries closely cooperated to facilitate early conclusion of the ACTA and meetings were held in Mexico in January, New Zealand in April, Switzerland in June and the United States in August. As a result, the treaty text was provisionally agreed in Tokyo, Japan in October 2010, and the



final text was released in December 2012. Korea officially signed the ACTA on October 1, 2011.

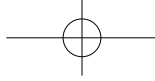
Meanwhile, discussions on protection of audiovisual performances which had been launched in 1997 were finally concluded with the adoption of the Beijing Treaty on Audiovisual Performances in Beijing, China, on June 24, 2012 with the attendance of approximately 700 delegation members from 156 WIPO member states.

The Treaty reinforced international protection of audiovisual performances by granting performers moral rights such as right of paternity and right of integrity and granting performers the rights of reproduction and distribution - not only for unfixed ones, but also for fixed performances. It also prolonged the term of protection to at least 50 years, unlike the Rome Convention which granted 20 years of the term of protection.

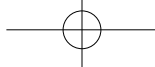
Korea attended the WIPO Diplomatic Conference held in Beijing and actively participated in the discussions to come up with an international treaty on copyright by playing a part in drafting the text of the Treaty, solidifying its position as an advanced country with an established copyright system.

Status of Korea's Conclusion and/or Accession into Copyright-related International Treaties and Conventions

International Treaties and Conventions	Description	Year of Conclusion	Date of Accession
The Convention Establishing the World Intellectual Property Organization	<ul style="list-style-type: none">Stipulates the establishment of WIPOSigned when joining WIPO	1967	Mar.1, 1979
The Universal Copyright Convention	<ul style="list-style-type: none">Coordination between formality and non-formality concerning copyright protection (Application of © Mark)Most countries pursued non-formality, having little effect.	1952	Oct.1, 1987



International Treaties and Conventions	Description	Year of Conclusion	Date of Accession
The Convention for the Protection of Producers of Phonograms against Unauthorized Duplication of Their Phonograms	<ul style="list-style-type: none">Provisions prohibiting unauthorized duplication of phonograms;Only single content is regulated; having little effect.	1971	July 1, 1987
The Agreement on Trade-Related Aspects of Intellectual Property Rights; TRIPS	<ul style="list-style-type: none">Some provisions of the Berne Convention and the Rome Convention are incorporated into TRIPS;Comprehensive provisions on copyright and related rights;It is possible to bring disputes among countries to the dispute settlement body;WTO's general principles such as National Treatment (NT) and Most-Favored-Nation Treatment (MFN) are applied.	1995	Jan.1, 1995
The Berne Convention for the Protection of Literary and Artistic Works	<ul style="list-style-type: none">Framework Convention on copyright;Protection provisions for copyright;Term of protection: 50 years	1886	May 21, 1996
WIPO Copyright Treaty; WCT	<ul style="list-style-type: none">Copyright protection in the Internet era;Treaty that has updated the Berne Convention to suit the digital age;Term of protection: 50 years	1996	Mar.24, 2004
International Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organizations	<ul style="list-style-type: none">Framework Convention on neighboring rights;Protection provisions for neighboring rights;Term of protection: 20 years	1961	Dec.18, 2008
The WIPO Performances and Phonograms Treaty; WPPT	<ul style="list-style-type: none">Protection of performances and phonograms in the age of the Internet;Treaty that has updated provisions on performances and phonograms among the content of the Rome Convention to suit the digital age;Term of protection: 50 years.	1996	Dec.18, 2008
Brussels Convention Relating to the Distribution Of Programme-Carrying Signals Transmitted by Satellite	<ul style="list-style-type: none">Sufficient obligatory provisions designed to prevent illegal distribution of program-carrying signals transmitted by satellites;Short excerpts or quotations are exceptions.	1974	Dec.19, 2011
Beijing Treaty on Audiovisual Performances	<ul style="list-style-type: none">Granting moral rights to performers;Granting reproduction rights and distribution rights for fixed performances;Term of protection has been extended to 50 years.	2012	June 24, 2012



IV. Major Legal Cases on Copyright

1. Transmission Rights and Paternity Rights

(Korean Supreme Court Decision No. 2010Da57497 delivered on Jan.12 2012)

Upon receiving a request to stop its service due to copyright infringements, the defendant suspended the selling service of music files on its online music website. However, the Supreme Court decision held that the defendant's behavior of allowing users, who had already purchased music files, to continue to use the service constituted infringements of such rights as right of transmission. It also held that, in addition to infringement of right of transmission due to the act prior to suspension of selling or offering services, the act of the defendant to have continued to provide service to users who had already purchased music files before the suspension of service was also an another "separate" act that infringed upon public right of transmission or right of transmission. However, It held that the behavior of continually offering services to users already purchased does not constitute infringement of reproduction right. Furthermore, the Supreme Court held that the defendant's acts of not specifying the names of composers in its services such as MP3 file downloading and music sampling and of expressing the names of composers wrongly only in the lyric viewing service constitute infringement of right of paternity.

2. Copyright Infringement Issue of Transfer of Program Copyright and Right to Reproduce, etc.

(Korean Supreme Court Decision No. 2010Da50250, delivered on Jan. 27, 2012)

The Supreme Court reconfirmed that i) in cases where there is no express indication that program copyright has been transferred or its use has been permitted, it shall be assumed that the copyright ownership is retained by

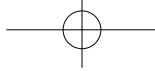


the program copyright holder, and ii) in the case of unclear contractual stipulation, the construction and interpretation of specific meanings shall be based upon the course of practices of dealings, the knowledge and behavior of the contractual parties (Korean Supreme Court Decision No. 95DA29130, delivered on July 30, 1996). The Court held that considering the facts of the case, the manner of the signing of the contract, the contents of the contract, and the circumstances after the contract was signed, it could not be deemed that the pre-modification program copyright, in whole or in part, was not assigned beyond the permission of use on the program source code and the extent that is necessary for the maintenance and repair of the IT system. Therefore, the Court stated that the original court decision was illegal and that the right of reproduction or the derivative right was not violated under the condition that the program copyright, in whole, or at least, in part, was assigned. The decision of the Court deemed that the right of reproduction or the derivative right could be recognized, depending on whether new originality has been added. Not with standing the foregoing, the Court affirmed the part of the original court decision that the mere use of a source code for the purpose of the maintenance and repair of a program could not be deemed as a violation of trade secrets.

3. Meaning of “technical protection measures” in the old Computer Programs Protection Act

(Korean Supreme Court Decision No. 2010Do1422 delivered on Feb. 23 2012)

The Supreme Court held that “technical protection measures” specified in Article 30 (1) of the old Computer Programs Protection Act referred only to measures that effectively prevent infringements of program copyright and that technical measures. Therefore, the court held that merely controlling access to computer program works was not included to technical protection measures. In a case where defendants were accused of violation of the old Computer Programs Protection Act due to the fact that they incapacitated technical protection measures of the designated-driver service operation program developed and registered by Company A by using a program developed by the defendants, the court held that all the technical measures taken by Company A constitute measures to control access to programs and are not considered “technical protection measures” prescribed in Article 30



of the Act and thus it does not constitute violation of the Act only because of incapacitating the measures. Therefore, the court stated that the original decision that had found the defendants not guilty was justifiable.

4. Copyright Protection and Substantial Similarity Regarding Character, etc.

(Korean Supreme Court Decision No. 2010Da20044 delivered on Mar. 29, 2012)

The copyright law issues of the case are i) whether a character can be protected under the Copyright Act and ii) whether there are substantial similarities between copyrighted works.

The Court affirmed the decision of the original court that names, attires, and props concerning drama characters could not be protected under the Copyright Act, separate from the relevant dramas of the case. Furthermore, it held that the original decision was justified that there are no substantial similarities between photographic works and cinematographic works. As for the works of applied art, the Court stated that coats and mufflers of male and female leading characters of Drama A, the attire of woman with medical profession of Drama B, and the attire of the female leading character of Drama C did not have the originality required to be protected under the Copyright Act. In addition, the plaintiff does not have the copyright with respect to the hanbok that the female leading character of Drama D has worn. Lastly, the court held that the original court that the armor suit worn by the male leading character of Drama C had no substantial similarity was justified. Therefore, based upon the above, the original court decision was affirmed in whole that the right of reproduction or derivative right had not been infringed.

5. Works created prior to the establishment of corporation and works created in the course of business

(Korean Supreme Court Decision No. 2011Da5516 delivered on April 12, 2012)

The issue of the case is whether works created before the establishment



of a corporation can be recognized as works for hire under the name of the corporation. The Supreme Court quashed the original decision that had recognized works created before the establishment of a corporation as works of the corporation, saying that in order to be recognized as works for hire, the corporation should be pre-established at the time of creation.

6. Software development contract and works created in the course of business

(Korean Supreme Court Decision No.2010Ma372 delivered on April 17, 2012)

The issue of the case is whether a copyrighted work can be regarded as a work for hire even in the case of contract for work. The Supreme Court held that, in principle, the provision of Article 5 of the old Computer Programs Protection Act that in the case of a program created in the course of business the corporation shall be the author of the program does not apply to contract on program production. However, the decision reconfirmed that in such cases where the client completely plans on a program, makes investment in it, and only consigns its development to the program developer only borrowing labor and the developer merely develops and supplies the program only for the client, the provision shall apply mutatis mutandis and thus the client can be regarded as the author of the program, as it is considered that those who are employed by the corporation are deemed to have created the program in the course of business (Refer to Korean Supreme Court Decision No. 98Da60590 delivered on November 10, 2000).

7. A case where American CPA test questions were included in study material published by an academy

(Korean Supreme Court Decision No. 2011Do17455 delivered on April 26, 2012)

The issue of the case is whether the joint penal provisions prescribed in Article 141 of the Copyright Act are applicable. The case is where a sub-study material used by A, who was a lecturer in an academy run by the



defendant, included considerable numbers of test questions for American certified public accountants (CPA) whose copyright was owned by B Company of the United States. The original ruling judged that, although the sub-study material included reproduction of considerable numbers of the test questions, the defendant sold and distributed the material to students of the academy and thus infringed upon the copyright of the American company. It also applied the joint penal provisions of Article 141 of the Copyright Act to the defendant, finding it correct that the alleged conducts were considered guilty. The Supreme Court ruling found the original ruling valid in that it judged that even though the defendant was aware of the possibility to some degree that the study material may infringe upon copyright, the defendant sold the material – published for use only in the academy run by the defendant – only to the academy students and failed to pay sufficient attention to and exert enough supervision over possible copyright infringement by such as employees.

8. Whether music CDs used to play background music in stores fall within the definition of “commercial phonograms”

(Korean Supreme Court Decision No. 2010Da87474 delivered on May 10 2012)

The issue of the case is whether music CDs used to play background music in coffee stores fall within the scope of “commercial phonograms”, as prescribed in Article 29 (2) of the Copyright Act. The case in question is where Company A, which is a Korean branch office of a foreign coffee brand, purchased CDs with background music including copyrighted musical works from a foreign company B, which provides background music service pursuant to a music service agreement signed with the head office of the coffee brand, and used the music CDs to play background music in the coffee stores across the nation. The Supreme Court held that the music CDs did not fall within the definition of “commercial phonograms”, as specified in Article 29 (2) of the Copyright Act, since the music CDs were non-substitutable records produced solely for supplying branch offices of the company worldwide - not records made for public sale, given the fact that the music CDs were encrypted and played only in players provided by Company B, and are not played any longer once



the period set in the agreement expires and Company A has obligations to discard or return the music CDs.

9. The meaning of “revenues from overseas sales” in the drama appearance contract

(Korean Supreme Court Decision No. 2012Da19680 delivered on July 5, 2012)

The issue of the case is whether revenues from overseas sales in a drama appearance contract refer to the money actually acquired by the defendant or whether they refer to the total sales revenues. The Supreme Court held that the “revenues from overseas sales” set in the incentive agreement of the case were not the money actually acquired by the defendant, but the total sales revenues. The Supreme Court decision found the original decision illegal. The original decision had held that “revenues from overseas sales” set in the incentive agreement referred to the money actually acquired by the defendant (money amount to 50% of the sum distributed to the defendant out of the sales revenues) and thus the amount worth 10% of the money constituted an incentive amount pursuant to the appearance agreement.

10. Effectiveness of Trust Agreement Provisions for Termination and Unfair Obligation

(Korean Supreme Court Decision No. 2010Da1272, delivered on July 12, 2012)

The issues of the case are i) whether the standardized contract article depriving an assignor of his or her right to terminate the contract without probable cause and imposing unfair termination provisions are effective and ii) whether the continuous management by an trustee after the termination of the trust agreement constitutes an illegal act of copyright infringement.

The Supreme Court stated that the standardized contract article depriving a trustor of his or her right to terminate the contract without probable cause was invalid in accordance with the Article 9 (1) and the Article 6 (1) of the old Regulation of Standardized Contracts Act (the Act prior to the implementation of the revised Act of No.10169 on March 22, 2001).



Furthermore, regarding the provision “Trustor shall not be entitled to terminate the trust contract without the consent of trustee”, the Court held that since such article unreasonably restricted the freedom of termination to which the trustor was legitimately entitled without reasonable grounds and it favored unilaterally only Party B Association to the detriment of trustor, it shall be held as invalid, pursuant to the Article 6 (1) of the old Regulation of Standardized Contracts Act.

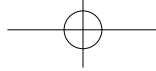
The Court stated that as Party B Association did not have a settlement obligation upon the termination of the trust agreement, Party B did not have the duty of care to make sure that music copyrighted works shall not be used without the permission of Party A by notifying the users of music copyrighted works of Party A. In addition, even in cases where the users make use of music copyrighted works without the permission of Party A due to the failure on the part of Party B Association to make a notification, Party A has no intellectual property right which is subject to infringement because Party A is a mere creditor as such proprietary right has not yet been transferred. Thus, an illegal act cannot be established, citing the ground of the infringement of Party A’s copyright. Therefore, the Court held that the original decision was illegal since it misunderstood the legal principles regarding the legal relations upon the termination of the trust agreement.

11. Financial management test preparation books and copyrightability

(Korean Supreme Court Decision No. 2010Da70520, 70537 delivered on August 30, 2012)

The Supreme Court held that, even though, overall, the original copyrighted work falls into the definition of creative works prescribed in the Copyright Act, the effect of such right as right of reproduction on the original work does not reach for parts of the original work with no creative expressions.

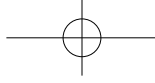
According to the Supreme Court decision, the works stipulated in Article 2(1) of the old Copyright Act refer to the works which have creativity.



Here, being creative does not necessarily require originality in complete sense and thus, if any work does not merely copy others, but the author summarizes his or her ideas or emotions according to his or her unique way of expression, the work's creativity is recognized (Refer to Korean Supreme Court Decision No. 2009291 delivered on February 10, 2011).

Therefore, in the case of practical publication works such as test preparation books for state examinations and specialized certification tests, even though the content itself is not original as it is identical to that of the existing books or academic papers, or it is written based on notified facts, if the author has written the test preparation book in a way that summarizes theories and related issues discussed in the academia and explains theories, terminologies and methods to access problems according to his or her unique way of expression to help users understand easily, it shows that creative individuality of the author is manifested in the work, and thus the work falls into the definition of creative works protected under the Copyright Act.

The Supreme Court decision also held that, in the case where there is no room for manifestation of creative individuality of the author, including not only cases where the contested part concerning reproduction is identical or similar to expressions in other works of the past, but also cases where the existing theories or concepts are explained or summarized by using terminologies generally used in the field and cases where it is difficult to express otherwise due to logical flow or it is not suitable to express differently, it is deemed difficult to recognize creativity of the work and thus infringement of right of reproduction may not be recognized. The original decision held that the defendant infringed upon right of reproduction on Book A of the plaintiff on the grounds that, overall, creativity of the books of the plaintiff is recognized and some parts of the defendant's book are similar to some of the content of the plaintiff's books. However, the Supreme Court found the original decision illegal, since it did not carefully review the creativity of each part listed in Appendix 1 and 2, which deal with contested infringement of right of reproduction, and misunderstood legal principles on creative works.



12. Partnership agreement with webhard site and permission of the copyright holder

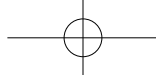
(Korean Supreme Court Decision No. 2011Do7156 delivered on September 27, 2012)

The issue of the case is whether it can be considered that the copyright holder who has signed a partnership agreement with a webhard company has granted the permission for uploading of his or her works. The Supreme Court held that it should be viewed that, in such webhard sites, the copyright holder has granted permission for uploading of works in advance, since the copyright holder has opened a legitimate channel for uploading his or her works to third parties by signing a partnership contract with the webhard site operator and has earned legitimate profits, while the operator of the webhard site confirms whether the works under partnership are uploaded and then immediately convert them into partnership contents. Therefore, uploaders naturally would expect that files they have uploaded would be automatically converted and distributed legitimately. And thus it is difficult to consider that such activities of uploaders have been performed under awareness that they are illegally distributing others' works. In addition, the partnership agreement has been already notified to uploaders.

13. Criminal intent of aider and meaning of technical protection measures for exemption from responsibility of online service providers (OSP)

(Korean Supreme Court Decision 2012Do9229 delivered on November 29, 2012)

The Supreme Court decision reconfirmed the previous legal precedent on whether to recognize the criminal intent of accomplice, which is a subjective factor in aiding violations of Copyright Act, and whether to recognize exemption from responsibility pursuant to Article 102 (2) of the Copyright Act. The court reconfirmed that the aiding conduct of infringing the reproduction right protected under the Copyright Act is to help the principal's infringement of reproduction right in any way, directly or indirectly, including not only aiding when the principal is committing the



crime but also facilitating the future behavior of infringing reproduction right which is expected before the starting of the crime. Company M announced that its software has been illegally uploaded and downloaded and made requests to prevent copyright infringements on all products of Company M. However, even after the request was made, Company M found through monitoring activities that a number of files related to the software in question had been still discovered. Therefore, the Supreme Court affirmed the original decision which held that the defendant A was, albeit *dolus eventualis*, aware of the infringement upon the software by the members.

With respect to a claim on exemption from responsibility pursuant to Article 102(2) of the Copyright Act, the Supreme Court cited the original decision, which held that it was difficult to consider that the defendant A made sufficient efforts to prevent or halt copyright infringement activities, given the technological level at the time of the crime. The Supreme Court held that the defendant's company's effort to protect copyright was unduly insufficient, given the facts that software products of Company M could be easily searched by search words and downloaded, and that there were only two monitoring staff members, and that the defendant's company mainly relied on prohibited words provided by Company M in its efforts to prevent illegal uploading.

(Seoul Central District Court, delivered on July 6, 2012, Decision No. 2011, No. 4636).





2012 Annual Report on Copyright in Korea

Copyright Protection Activities

- I. Responses to and Crackdowns on Copyright Infringements
- II. Copyright Education and Public Awareness Programs
- III. Copyright Protection Technology



I. Responses to and Crackdowns on Copyright Infringements

1. Overview

In an effort to create a “copyright ecosystem of balance and shared prosperity” through the establishment of an airtight copyright protection network, the Korean government has expanded investigation into violators of the Copyright Act, while reinforcing online monitoring in vulnerable hours such as night hours and public holidays by expanding the number of online monitoring staff who work from home. Furthermore, in a bid to proactively respond to new types of copyright infringements amid advancements of digital technology, it has also enhanced the digital copyright evidence analysis system. Meanwhile, the Korean government has been conducting intensive crackdowns by occasion and region, including such efforts as creating an environment for fair use of software, crackdowns on key distribution bases of illegal reproductions, and crackdowns on illegally copied publications in campus areas ahead of new semesters.

2. Copyright Protection Policies and Activities in 2012

1) Investigation into Copyright Infringement Cases

In order to facilitate immediate responses to online and offline illegal reproductions and the increasingly secretive and diversified copyright infringement offences, regional offices of the Copyright Special Judicial Police are under operation in regional centers, including Seoul, Busan,



Gwangju, Daejeon and Daegu. The regional offices are in charge of crackdowns and investigation into copyright infringement cases in their respective jurisdictions, enhancing the efficiency of investigation into copyright infringement offenses.

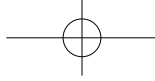
Moreover, the government is seeking specialization of investigation into copyright infringement offences by strengthening the operation of scientific investigation methods such as investigation support through digital evidence collection and analysis.

The numbers of cases where copyright infringers are sent to the prosecution by the Copyright Special Judicial Police significantly rose from 11 persons in 2008 to 312 persons in 2009, 716 persons in 2010, 1,116 persons in 2011 and 1,803 persons in 2012.

2) Expanded Operation of the Digital Copyright Evidence Collection & Analysis Investigation Support System

Digital copyright forensics investigates digital storage devices of companies or individuals that make profits by illegally distributing or using digital works protected under the Copyright Act without the authorization of copyright owners. It refers to a set of procedures involving collection, analysis, storage and report of the data in such digital storage devices based on logically standardized procedures and methods to make the data possess weight of evidence in legal procedures in the form of digital evidence.

The numbers of digital copyright forensic investigation support cases have steadily increased from 94 cases in 2010 to 291 cases in 2011 and 323 cases in 2012. In 2012, in an effort to efficiently respond to new types of copyright infringements due to diversification and professionalization in the types of digital copyright infringements, the forensic test-bed was established to respond to webhard copyright infringements, thereby building a speedy and accurate investigation evidence analysis response system. Meanwhile, amid explosive growth of the use of P2Ps as a result of the balloon effect following the launch of the Webhard Registration System, the evidence collection and analysis simulation system was created to facilitate investigation into distribution of illegal reproductions on P2P networks.



3) Administrative Measures against Copyright Infringement

The Korea Copyright Commission may issue correction recommendations to online service providers (OSPs) that distribute illegal reproductions pursuant to Article 133 (3) of the Copyright Act. In 2009, the KCC started to issue correction recommendations for the first time in accordance with the integrated Copyright Act, issuing 35,345 recommendations in the year. It issued 85,085 recommendations in 2010, followed by 107,724 and 250,039 in 2011 and 2012, respectively.

Numbers of Correction Recommendations Issued by the KCC by Year

Classification		Annual Results	No. of Correction Recommendations		
			Warning	Deletion/ Suspension of Transmission	Account Suspension
2009	Total	35,345	13,466	21,840	39
	Webhard	33,644	12,612	20,995	37
	P2P	773	579	194	-
	Portals, etc.	928	275	651	2
2010	Total	85,085	42,794	42,200	91
	Webhard	82,413	41,458	40,864	91
	P2P	2,140	1,070	1,070	-
	Portals, etc.	532	266	266	-
2011	Total	107,724	54,504	53,106	114
	Webhard	101,359	51,282	49,963	114
	P2P	1,041	522	519	-
	Portals, etc.	5,324	2,700	2,624	-
2012	Total	250,039	130,304	119,560	175
	Webhard	135,961	72,516	63,270	175
	P2P	344	172	172	-
	Portals, etc.	113,734	57,616	56,118	-

Furthermore, the KCC operates an online piracy reporting website (www.copy112.or.kr) to receive complaints on online piracy lodged by right holders or the reports by the general public and issue correction recommendations based on the complaints. The number of complaints reported has been on the rise each year. In 2011, the KCC launched the “Citizens’ Open Monitoring System” on a pilot basis through which netizens can report websites distributing illegal reproductions, which have become increasingly diversified and complex. In 2012, the Citizens’ Open Monitoring System was fully operational.

The KCC's "Copy 112" Online Piracy Reporting Website

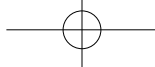


4) Creation of an Environment for Fair Use of Software Copyright

A. Reinforcement of Inspection on Illegal Software and Software Management System Consulting Service

The Ministry of Culture, Sports and Tourism (MCST) has reinforced inspection activities against illegal reproduction of software among government and public agencies and small and medium-sized enterprises (SMEs), while expanding distribution of the Software Management Guide, server software management guide and software inspection programs to prevent copyright infringements that occur due to negligent software management and lack of awareness. The MCST has also provided software management system consulting service free of charge not only to public agencies, but also SMEs. As of 2012, a total of 720 companies and public agencies utilized the consulting services.

Furthermore, in an effort to create an environment for fair use of software, the MCST organized the 2012 Software Copyright Shared Growth Fair, in which 21 software copyright holders participated from home and abroad. It also provided visiting education sessions for 537 software management personnel in public agencies across the country on nine occasions.



B. Publication of the Software Management Guide

The MCST and the KCC published the 2012 Software Management Guide to support the establishment of an efficient software management system.

The 2012 Software Management Guide contains the definition of software licenses and software management processes, as well as a software management register and letter of oath in the appendix section, which can be easily usable by public agencies and enterprises. It also contains information on how to distinguish free-of-charge software from paid software, which is easily confused by the general public.

Software management personnel of public agencies and enterprises can easily identify the quantities of software and obtain information on response measures and process in the case where illegal software is found by utilizing the “Software Management System Self-Checklist” contained in the 2012 Software Management Guide.

5) Enhanced Response to Copyright Infringement by Using Smart Devices

The KCC commissioned the Korea Mobile Internet Business Association to conduct surveys on status and routes of copyright infringement via smart devices among 1,500 users of smart devices such as smartphones and tablet PCs (aged 13~59, maximum sample error 95%, confidence level $\pm 2.6\%$) in September 2012. It also investigated experiences of copyright infringement and damage level by conducting interviews among 100 smart device application developers. Based on the survey results, the KCC set the basic directions for prevention of and response to copyright infringement in a smart environment as follows:

Firstly, institutional improvements will be made in consideration of balance and harmony between protection and use of copyright. Secondly, the establishment of a copyright protection network will be expanded to respond to changes in the digital copyright environment. Thirdly, efforts will be focused on developing next-generation copyright technology meeting the needs of new businesses. Fourthly, education and public awareness programs will be further reinforced to raise awareness of protection of smart copyright. In particular, as distribution of illegal



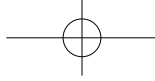
reproductions not only in webhard and P2P networks, but also portals such as online cafes, blogs and communities are emerging as a new route for copyright infringement, the KCC will plan to enhance monitoring on those new channels. To this end, the KCC will resolve the problem of “blind spots” of monitoring such as closed online cafes and communities through the Citizens’ Open Monitoring System, while further expanding the “Smart Application Copyright Protection System” developed in 2011.

6) Copyright Protection Activities by the Korea Federation of Copyright Organizations

The Korea Federation of Copyright Organizations collects, discards or deletes illegal reproductions pursuant to Article 133 of the Copyright Act. On behalf of copyright holders, the Federation requests deletion or suspension of transmission of illegal online reproductions. In 2012, it collected and discarded 639,290 illegal offline reproduction articles, which was 137.3% up compared to the previous year. Meanwhile, the results of requests for deletion or cessation of the transmission of illegal online reproduced articles amounted to 176,368,247, which was an increase by 104.3% from the previous year.

Copyright Infringement Crackdown Results by the Copyright Protection Center under the KOFOCO

Classification		2011		2012		Increase/Decrease (%)	
		No. of Cases	No. of Articles	No. of Cases	No. of Articles	No. of Cases	No. of Articles
Online	Musical Works	28,993	2,039,991	37,344	3,998,851	29%	96%
	Cinematographic Works	277,559	2,705,055	766,463	5,220,243	176%	93%
	Literary Works	22,466	28,048,143	31,724	41,507,614	41%	48%
	Games	25,958	179,672	31,451	114,101	21%	▽36%
	Comics	16,430	53,337,106	28,562	125,482,653	74%	135%
	SW	5,069	28,331	24,628	44,785	386%	58%
	Sub-Total	376,475	86,338,298	919,812	176,368,247	144%	104%



Classification		2011		2012		Increase/Decrease [%]	
		No. of Cases	No. of Articles	No. of Cases	No. of Articles	No. of Cases	No. of Articles
Offline	Musical Works	150	41,227	326	412,100	117%	899%
	Cinematographic Works	435	211,491	535	209,539	23%	▽0.9%
	Literary Works	489	16,541	537	17,224	9.8%	4%
	Games	-	150	1	427	100%	185%
	Sub-Total	1,074	269,409	1,399	639,290	30%	137%
Total		377,549	86,607,707	921,211	177,007,537	144%	104%

II. Copyright Education and Public Awareness Programs

1. Overview

In order to create a healthy “copyright ecosystem” in which authors are respected and high-quality works are smoothly distributed and consumed, it is still insufficient to merely make related legal improvements and develop IT technology. What is ultimately required is to change the perceptions and attitudes of people, who are members of the copyright ecosystem, toward a more desirable direction. To this end, the MCST has concentrated its policy capabilities on education and public awareness programs designed to raise awareness of the importance of copyright, and has implemented a wide range of policy measures.

Projects aimed to enhance copyright education have been implemented



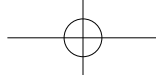
mainly in two aspects: development and operation of diverse education curriculums; and enhancement of infrastructure such as development of high-quality education contents and establishment of systems. Education curriculums have been specialized in two areas, namely, education on prevention of copyright infringement and education to train professional personnel. A total of 1,355,207 persons were educated under the programs from 2008 to 2012. Meanwhile, in order to establish a copyright infrastructure, copyright-related content was reflected in textbooks of elementary, middle and high schools. In July 2010, the Korea Copyright Commission was officially authorized as a copyright distance learning education and training institute by the Ministry of Education, Science and Technology and was approved as a “lifelong education institute” by the Seoul Jungbu District Office of Education in December 2012, laying the groundwork for lifelong education.

On the other hand, public awareness programs are designed to boost citizens’ awareness of copyright protection and establish a culture of legitimate use of copyrighted works. The public awareness initiatives have been implemented in the form of a range of campaigns via various media channels and participatory contests to raise copyright awareness in everyday life, contributing to advancement in copyright awareness.

2. Copyright Education Activities and Outcomes

1) Education on Prevention of Copyright Infringement

Education programs on prevention of copyright infringement have been implemented in three categories: education for youths; education for the general public; and education pertaining to suspensions of prosecution conditional upon the receipt of copyright education designed for copyright infringers.



(1) Copyright Education for Youths

A. Hands-on Copyright Classes

Hands-on copyright classes are an education project in which copyright education is provided in school classes set aside for discretionary activities in the regular school curriculum for a certain amount of hours (more than six hours) in order to enhance copyright awareness of teachers and students. The project is mainly operated with the focus placed on hands-on programs designed to help students recognize the importance of copyright while being engaged in hands-on creative activities.

Hands-on Copyright Classes



Hands-on copyright classes started in 2006 with 20 classes being offered in the Seoul Metropolitan Area. The numbers of participating classes increased each year, with hands-on classes being administered in 198 classes in 2010 nationwide. In 2011, the number decreased to around 100 classes nationwide to offer more substantive education programs.

Status of Hands-on Class Operation by Year

Classification		2006	2007	2008	2009	2010	2011	2012	Total
No. of Classes		20	20	79	117	198	99	100	633
No. of Individuals Educated	Students	921	763	3,479	4,095	10,669	5,827	6,997	32,751
	Teachers	20	20	80	120	151	79	74	544



B. Copyright Research Schools

The Copyright Research School project is aimed to devise generalized ways to educate youth on copyright by researching and developing copyright education methodology and materials for elementary and middle schools.

The Copyright Research School project was initiated in 15 schools in the Seoul Metropolitan Area in 2007, and the number of designated schools increased to 23 in the capital metropolitan area and Jeollanam-do Province in 2008. In 2009, the operation period was extended from one year to two years and the number of participating schools also increased to 27 in 10 cities and provinces. Starting from 2010, the scope of operation was expanded nationwide.

Status of Copyright Research School Operation by Year

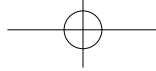
Classification		2007	2008	2009	2010	2011	2012	Total
No. of Schools		15	23	27	50	43	39	197
No. of Individuals Educated	Students	12,000	18,400	21,600	42,856	34,400	31,200	160,456
	Teachers	50	41	1,080	67	1,720	1,560	4,518
	Total	12,050	18,441	22,680	42,923	36,120	32,760	164,974

C. On-site Copyright Education Program

The on-site copyright education program is a customized education program in which instructors visit schools, enterprises, welfare facilities and public institutions and deliver lectures on copyright upon request.

Status of On-site Copyright Education Program Operation by Year (Students)

Classification	2008	2009	2010	2011	2012	Total
No. of Individuals Educated	14,265	74,938	254,130	294,035	354,868	992,236
No. of Education Sessions	19	130	2,028	3,008	3,016	8,201



In the case of elementary, middle and high schools, young copyright instructors trained by the KCC visit the schools to offer education free of charge. In order to boost efficiency of the program, standardized education programs tailored for youth are utilized.

On-site Copyright Education Program



D. Online Copyright Education for Youth

In June 2011, the KCC launched an online education course titled “Let’s Make Friends with Copyright” for elementary and middle school students nationwide and has offered the year-round course free of charge. A total of 804 students completed the course in 2011 and 1,462 students in 2012.

This course is designed to raise awareness of copyright among youths and educate them on how to use copyrighted works legitimately. It deals with copyright issues arising in everyday life in an easy-to-understand way based on case studies, featuring copyright etiquette at home, at school and in public places. In order to provide more differentiated copyright education by levels, the course is divided into education courses for lower elementary school students and education courses for upper elementary school and middle school students. Each course consists of three sessions and the education period is three days.



(2) Copyright Education for the General Public

A. On-site Copyright Education Program

The On-site Copyright Education Program for the general public is a customized education program in which instructors visit various institutions and deliver lectures on copyright issues required by enterprises and public institutions. The KCC has provided differentiated and tailored on-site copyright education programs not only for lawyers, social welfare workers, military judicial officers, public officials at the National Assembly, and journalists, but also for reporter groups operated by enterprises, and those who are vigorously engaged in online contents creation activities such as power bloggers of portal websites.

Status of the On-site Copyright Education Program Operation (the general public)

Classification	2008	2009	2010	2011	2012	Total
No. of Individuals Educated	7,340	19,039	28,726	21,473	18,844	95,422
No. of Education Sessions	103	244	431	403	358	1,539

In the meantime, starting from 2010, the KCC has provided copyright education for radio and TV writers who have a direct or indirect impact on the general public via the mass media. It strives to make the public's copyright awareness naturally take root in everyday life by utilizing copyright-related topics as materials for broadcast programs.

B. Online Copyright Education for University Students and the General Public

Starting from 2010, the KCC has offered online copyright education courses to help university students and the general public receives copyright education in an easy and convenient manner not bound by time and place. The online copyright education courses are aimed at preventing university students from being exposed to copyright infringement, as theft



of knowledge such as copying academic papers and reports frequently occurs on university campus. They are also designed to help the general public avoid copyright infringement in everyday life. By 2012, a total of 900 persons (361 in 2010, followed by 258 in 2011, and 281 in 2012, respectively) completed the courses.

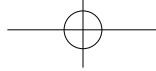
C. Online Copyright Education for School Parents

The online copyright education program for school parents has been operated since June 2011 with the purpose of helping parents prevent problems associated with copyright that may occur accidentally at home and in everyday life. It placed particular emphasis on cultivating sound awareness of copyright among children through parents' enhanced awareness of copyright. The online education courses show parents how to resolve copyright-related problems that parents of elementary and middle school students may experience, and how to properly use copyrighted works.

The online copyright education course for school parents is offered on the website of the Long Distance Education and Training Institute under the KCC as a permanent course free of charge under the title "Copyright! It is the Basic." It consists of three sessions, including "Copyright! It is Really Easy!"; "We Respect Authors"; and "We Use Copyrighted Works the Right Way", which are designed for elementary and middle school parents. Each session lasts for 20 minutes and the education period is three days. Those who have completed the course can receive a certificate. In the initial year of 2011, a total of 329 parents completed the course and 855 parents in 2012.

(3) Education Pertaining to Suspensions of Prosecution Conditional upon the Receipt of Copyright Education

As cases of copyright infringement in cyberspace have been rapidly on the rise with advances in digital technology, there have been increasing cases of copyright violation charges filed by some legal firms entrusted by rights holders.⁵ They are particularly targeting images and videos as well



as literary works illegally uploaded on Internet blogs and community cafes run by youths and the general public who have insufficient understanding of the Copyright Act.⁶

In response, the government introduced “suspensions of prosecution conditional upon the receipt of copyright education” (hereinafter referred to as “Copyright Compliance Education”) to prevent harmful effects caused by reckless filing of charges and establish an order for legitimate use of copyrighted works.

The “Copyright Compliance Education” was launched in July 2008 after intensive discussions and collaboration that had taken place between the MCST and the Ministry of Justice since 2007. The KCC entrusted by the prosecutors’ offices administers the education program. Education duration is eight hours per day and education sessions are divided into adult and minor groups.

In the initial stage, the “Copyright Compliance Education” was administered only for teenagers (minors) selected from copyright infringement cases under the jurisdiction of the Seoul District Prosecutors’ Office. However, in consideration of reasons for copyright violations, considerable effect of the education, as well as the fact that most of the infringers have committed infringement due to negligence rather than willful infringement, the scope of the “Copyright Compliance Education” was extended nationwide in March 2009 and also included adults in addition to youths. In 2012, the KCC administered the “Copyright Compliance Education” to 2,856 (2,760 adults and 96 minors).

Meanwhile, a complaint rejection system filed against youths was temporarily operated for a year from March 1, 2009 to February 28, 2010 where if the youth involved is a first-time offender, the complaint lodged against him or her is rejected without investigation. The system was deemed effective and has been extended by a year each year.

- 5 The number of suspects who are forced to pay excessive settlement money by legal firms entrusted with copyright crackdown activities from copyright holders is rapidly on the rise. (Hankyoreh Shinmun, Oct. 11, 2007)
- 6 The numbers of random copyright lawsuits filed by contents providers and legal firms that take advantage of weaknesses of the current law against teachers are rapidly on the rise. (Electronic Times, July 1, 2009)

Status of the “Copyright Compliance Education” Operation by Year

Classification		2008	2009	2010	2011	2012	Total
No. of Education Requests	Adults	-	9,551	3,337	3,473	3,020	19,381
	Minors	171	332	55	82	103	743
	Sub-Total	171	9,883	3,392	3,555	3,123	20,124
No. of Individuals Educated	Adults	-	7,492	3,397	2,581	2,760	16,230
	Minors	161	320	47	76	96	700
	Sub-Total	161	7,812	3,444	2,657	2,856	16,930

2) Training of Copyright Professionals

(1) Training of Preliminary Copyright Professionals (Copyright Culture School)

The Copyright Culture School is a systematic introductory course open not only to creators and those who work in copyright-related fields, but also to those who have interest in copyright. Over the past 22 years, the Copyright Culture School have produced 2,221 working-level copyright professionals. Its curriculum consists of comprehensive intensive education programs involving the Copyright Act, international conventions and foreign copyright laws studies, copyright dispute case studies and special lectures. It offers a regular course and a short-term course.

The regular course is a course officially designated as the Korea Culture School to train copyright professionals (54 hours, two to three times per week, five hours a day), while the short-term course is suitable for intensive training of public sector officials and copyright-related personnel (35 hours, five days per week, seven hours per day). The evening course (operated in 2009 and 2010) was geared toward office workers who find it difficult to attend classes during the day and was offered as a three-week course (35 hours, four days per week, three hours per day).

Status of Completion of the Copyright Culture School by Year

Classification	2008	2009	2010	2011	2012	Total
No. of Individuals	178	182	69	61	85	575
Completing the Program	(held 4 times)	(held 7 times)	(Held 3 times)	(Held 2 times)	(Held 3 times)	(Held 19 times)

(2) Training of Working-level Copyright Professionals (The Copyright Academy)

The Copyright Academy is a specialized, customized training course tailored for working-level professionals in the copyright industry and aims to cultivate copyright working capabilities of copyright personnel in different fields. Education recipients are selected through consultations with specialized organizations and institutions in respective fields each year. It offers education curriculums focusing on copyright-related laws, working-level knowledge and case studies required by respective industries.

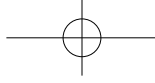
The Copyright Academy offers approximately 10 courses geared toward different fields, including the music, publication, legal, broadcast industries, as well as librarians and public officials. Each course accommodates around 20 individuals, offering intensive education for 2-3 days.

Status of Completion of the Copyright Academy by Year

Classification	2008	2009	2010	2011	2012	Total
No. of Individuals	259	250	202	287	215	1,213
Completing the Program	(Held 10 times)	(Held 12 times)	(Held 10 times)	(Held 11 times)	(Held 9 times)	(Held 52 times)

Meanwhile, the KCC opened the Long Distance Education and Training Center in 2010 to administer e-learning copyright education in an effort to overcome limitations of time and place faced by offline education and provide self-initiated learning opportunities.

The Internet-based online copyright course for those who work for the copyright industry offered education courses in 2010 for those who work



for the music, publication and Internet industries. In order to expand the scope of education choice, four education courses, including software, games, broadcasting industry workers, and introduction to copyright were added to the existing courses in 2011 and 2012, increasing the total number of courses to seven. The numbers of individuals who participated in the courses stood at 675 persons in 2010, and then 778 in 2011, and 652 in 2012, respectively.

(3) Training and Operation of Copyright Instructors

A. Online and Offline School Faculty Training

The “School Faculty Training Program”, which is offered to school teachers, is a program operated with a purpose of helping school teachers first recognize the importance of copyright, and then to play a role as intermediaries to spread a culture of legitimate use of copyright among youths. The KCC was designated as a teacher training institution for special fields by the Seoul Education Training Institute (designated by the Seoul Education Office) and has administered offline teacher training programs every year ever since.

The School Faculty Training Program is held twice a year (summer and winter) and is a 30-hour course that takes place over a period of five days. Up to 40 teachers receive the training per session and they are granted two credits upon completion of the course. Its curriculum covers introduction to the copyright system, copyright infringement and dispute resolution, as well as copyright and quotations, which are essential information to know at school.

Meanwhile, like the offline teacher training course, the KCC, which was designated as a teacher training institution for special fields by the Seoul Education Office, has administered an online teacher training course since 2007. Until 2009, the online teacher training course was entrusted to an external online training institute. However, after the KCC was officially approved by the Ministry of Education, Science and Technology as a “copyright long distance education and training institute” in 2010, the KCC has directly administered the online teacher training course since then.

Status of Teacher Training Course Operation by Year

Classification		2008	2009	2010	2011	2012	Total
No. of Teachers	Offline	75	76	79	79	58	367
	Online	2,727	3,305	3,308	10,526	13,813	33,679

B. Training of Copyright Instructors (including youth instructors)

In an effort to meet the rapidly rising demand for copyright education, the KCC has trained and operated copyright instructors since 2007. Copyright instructors are categorized into “specialized instructors”, “beginner instructors”, “juvenile instructors”, and “youth instructors” and the appointment period is two years. Copyright instructors have to complete customized training programs including basic education on copyright and lecturing techniques before they are mobilized to education courses. With the sharp increase in demand for copyright education (540 sessions in 2009 to 2,632 sessions in 2010, an increase by 487%), the KCC signed an MOU with the Korea Bar Association in 2010 and appointed lawyers who have completed the copyright education course as copyright instructors, thereby reinforcing the specialized teaching personnel pool.

Meanwhile, with the rapidly rising demand for copyright education for teenagers at elementary, middle and high schools as well as social welfare facilities, the KCC has trained youth instructors to provide more effective copyright education. Copyright youth instructors have been recruited among unemployed university graduates, thereby contributing to easing youth unemployment. Until 2012, a total of 126 youth copyright instructors have been produced on five occasions (39 instructors; held two times in 2010, 44 instructors; held two times in 2011 and 43 instructors; held once in 2012).

Status of Appointment of Copyright Instructors

(As of 2012)

Classification	Specialized	Beginner	Juvenile	Youth	Total
No. of Instructors	54	71	63	83	271

3. Public Awareness Programs

1) Creating a culture of legitimate use of copyrighted works – Joint campaigns with portal websites, SNS reporters and Facebook

(1) Joint campaigns in collaboration with portal websites

The “Copyright 36.5 Campaign” was designed to create a healthy copyright culture throughout the year with the number 36.5 symbolizing the body temperature of a healthy person. The campaign was featured on the main screens of leading online portal websites (Daum, Nate), as well as through Agora and NateOn messengers. In addition, the KCC also produced a copyright campaign webtoon with a theme of promoting legitimate use of copyrighted works and featured it in the portal site Daum’s Cartoon World, thereby helping the public have access to copyright, which is considered difficult, in an easy and fun manner.

Campaign Event Page



Campaign Widget

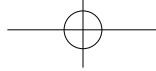


Picture of MOU Signing Ceremony with Portal Websites (Daum, NATE)



Daum Webtoon





(2) Operation of the Copyright SNS Reporters and the KCC Facebook Page

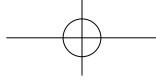
The KCC has operated the “Copyright SNS Reporters” comprising 37 undergraduate and graduate students, as well as the KCC’s official Facebook page to raise public awareness of copyright by spreading a culture of legitimate online use of copyrighted works. The Copyright SNS Reporters were engaged in copyright experience activities each month, including copyright education, visit to cultural contents production sites and cultural experience, and accomplishment of copyright missions for a period of seven months from May to late December. After the activities, they posted copyright-related comments and contents on SNS and personal blogs, widely promoting copyright among the general public.

Meanwhile, the official KCC Facebook page was launched on July 26, 2012 aimed to facilitate the participation of the general public who are active in online activities. The KCC utilized the Facebook page as a channel for interacting with the general public by explaining the concept of copyright in an easy and friendly manner and provide copyright-related information, thereby spreading positive perceptions among the public on copyright.

2) Copyright-related Contests

(1) The 7th Copyright Essay Contest for Undergraduate and Graduate Students

The KCC has hosted an essay contest for undergraduate and graduate students since 2006 in an effort to invigorate research on intellectual property and create a forward-looking research environment by instilling interest in copyright among students and motivating them to conduct research into the area. In 2012, the scope of essay topics was expanded to include not only copyright-related legal aspects but also economic, business management, cultural, arts and technical areas related to copyright and encouraged students from various fields to participate in the contest, thereby helping them raise awareness of copyright as a core resource for the future in their respective fields.



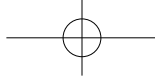
A total of 30 essays were submitted and the first prize was granted to the essay titled “A Legal Review on Collection of Usage Fees for OST Based on the Copyright Act” written by Baek Gyeong-tae, a student of Yonsei Law School. A total of 19 essays won prizes, including two second-prize winners, six honorable mentions and 10 selected essays. Prize winners were awarded with prizes and scholarships, as well as an overseas training program in which they can visit overseas copyright institutions to understand the Korean Wave and copyright protection status.

(2) The 8th National Youth Copyright Writing Contest

The National Youth Copyright Writing Contest was launched in 2005 with an aim of encouraging children and youths to experience copyright through creative activities, thereby raising their awareness of copyright protection and proper use of copyrighted works in their daily lives. In 2012, starting from the 8th contest, the WIPO Special Prize was added to the contest, further boosting its status. A total of 2,316 entries were submitted in the 8th writing contest. An essay titled “To You Who Live in the World of the Past” written by Yoo Min-ji from Bangbae Middle School was selected as grand prize winner (Presidential Prize) after going through two rounds of screening process. In addition, a total of 84 entries won prizes, including first-prizes, the WIPO Special Prizes, second-prizes, honorable mentions and selected works by categories of elementary, middle and high schools.

(3) Family-based Poster Competition

The family-based poster competition was hosted to raise awareness of copyright among families with elementary school students and to disseminate a culture of proper use of copyrighted works. The family-based poster competition involving elementary school students is beneficial in that the effect of raising copyright awareness for the entire family is doubled in the process of creative collaboration between family members. It also carries significance in that parents can naturally provide copyright education to their children who are elementary school students in the process of jointly completing the poster. The competition attracted



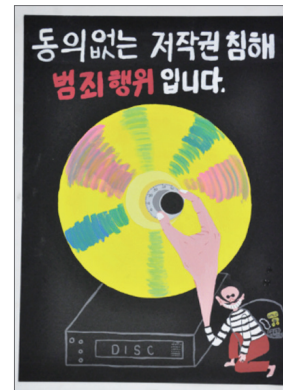
participation by 1,332 persons and a total of 378 posters were submitted. A total of 31 posters, including a grand prize (Minister of Culture, Sports and Tourism Prize), had the honor of winning prizes. Prize winners are awarded not only with prizes, but also prize money.

The colorful and familiar prize-winning posters were displayed for the general public at Seoul's seven subway stations with sizable floating population in November and December. They were also utilized for production of copyright publicity videos, contributing to enhancing the effect of copyright publicity efforts.

A Poster Announcing the
Copyright Poster Competition



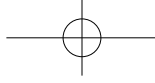
Grand Prize Winner at the
Copyright Poster Competition



3) Public Awareness Campaigns via Mass Media Such as TV

The KCC produced subway video advertising utilizing the winners of the Family-based Copyright Poster Competition and held a campaign via radio stations, including KBS(R), SBS(R), YTN(R), TBS, TBN to deliver a message that “Copyright is Our Precious Resource and Future”, seeking to raise the public’s awareness of copyright.

Meanwhile, the KCC also transmitted copyright publicity contents (production of children’s songs designed to prevent possible copyright infringement by children and youths and help them understand copyright easily) for cable TV’s children channels in collaboration with cable TV channels for children, including Daekyo, Champ, Anyone and Anybox. This campaign was operated as a filler (a program used to replace a regular



program at the event of broadcasting accident), not a regular program, and thus was broadcasted randomly between programs, thereby establishing a both regular and sporadic publicity system of low costs and high efficiency.

Copyright Public Awareness Campaign (Subway Advertising)



Copyright Publicity Contents Image on Cable TV's Children's Channel



4) Publication of Monthly Magazine Copyright Culture

Copyright Culture seeks to become not only a public relations magazine that publicizes activities in the copyright field, but also a specialized magazine that introduces issues and case studies concerning copyright, and a popular magazine which is targeted at the general public. Based on a slogan of “A Copyright Culture Dreaming of a Happy and Joyous World”, the magazine expanded such sections as legal precedents, copyright trends, news for readers who wish to access high-quality copyright information.

Starting from the 2012 September edition (No.217), recycled paper has been used to emphasize its sensibilities and page-turning effect, thereby conserving the environment and boosting its image as an organization to pursue public good through resource recycling. What's more, the editing design has been improved, heightening the power of delivering stories and maximizing efficiency of paper use.

To this end, it has been expanded from 44 pages to 48 pages, which feature informational contents satisfying the latest trends, further enhancing fun and practicality at the same time. Moreover, the KCC has diversified the medium for the magazine by launching the magazine's mobile version suiting the smart environment, making it possible for readers to view the Copyright Culture via smartphones.

Paper Quality of the Monthly Copyright Culture Changed



Copyright Culture's Mobile Version (QR Code) and Improvement of Section Design



4. Assessment and Outlook

The way of using copyrighted works is undergoing significant transformation amid advancements in various digital devices. Against this backdrop, it is necessary to advance and diversify copyright education and public awareness programs targeting youths who are growing into a digital generation.

In response, the MCST has provided comprehensive and systematic online and offline copyright education and public awareness programs to enhance copyright education by targets and social groups and create a culture of proper use of copyrighted works.

What is noteworthy is that the MCST has laid the groundwork for nurturing professional copyright personnel required for copyright-related industrial fields by receiving approval as a copyright long- distance lifelong education institute. The Copyright Long Distance Lifelong Education and Training Institute is expected to meet the expanded demand



for professional copyright personnel by offering a wide variety of lifelong education programs as a specialized organization for copyright education.

Despite ongoing efforts to raise public awareness of copyright, it is difficult to completely dispel public perceptions that the topic of copyright is still too difficult and formal. It appears that considerable time and efforts are required until the public gains a deep understanding of copyright and feel familiar with the topic. Therefore, more comprehensive and systematic copyright education and public awareness activities are required from a mid-to long-term perspective. To this end, the Korean government plans to actively push ahead with copyright education and public awareness activities which are easily accessible in the public's everyday life to effectively raise public awareness of copyright.

III. Copyright Protection Technology

It has become increasingly difficult to resolve copyright issues arising from changes in the digital distribution environment, the emergence of smartphones and a variety of new services such as 3D and e-Book services, solely through the existing copyright education, public awareness programs and improvements in the legal system. Hence, the MCST has made concerted efforts to provide effective protection of copyrighted works in the digital environment by providing support for copyright-related R&D projects; conducting copyright technology performance tests and field tests; pursuing research of copyright technology standardization and its application; providing support for technical committees and international standardization activities (Digital Copyright Asian Network: DCAN); and conducting digital copyright forensic activities.



1. R&D Projects for Copyright Protection and Facilitation of Use of Copyrighted Works

Since 2011, the MCST has implemented R&D projects aimed to develop copyright technologies, including copyright protection for smartphone applications, e-Book DRAM compatibility, copyright infringement prevention and inspection software, and development of technology to protect copyright in a cloud computing environment. In March 2011, the MCST designated the KCC as a specialized copyright R&D institution and launched four R&D projects. In 2012, seven projects were implemented, including six new R&D projects and one commercialization support project.

The copyright technology R&D projects in 2012 achieved 32 patent applications, one patent registration and 16 cases of technology transfer and commercialization, which hovered above average outcomes, compared to the national R&D budget. R&D projects undertaken in 2012 were as follows:

R&D Projects Undertaken in 2012

Classification	R&D Project Title	2012 Budget	Project Period
Development of Copyright Technologies	• Development of Content-based Use Control Technology for a Clean Cloud	1.5 billion won	3 years (2012-2014)
	• Development of International Standard-based e-Book DRM Standard Software Technologies	0.5 billion won	2 years (2011-2012)
	• Development of Inspection Software Technology for Prevention and Management of Copyright Infringement	0.87 billion won	3 years (2011-2013)
	• Development of Technology for Prevention of Illegal Reproduction of system software-based Mobile Applications	0.9 billion won	3 years (2011-2013)
	• Development of Technology to Measure Software Similarity Based on Dynamic characteristics of Binary Codes	0.4 billion won	3 years (2012-2014)
	• Development of Copyright Technology for Providing Reliable Log Information Related to Transmission of Copyrighted Works	0.5 billion won	2 years (2012-2013)
Support for Technology Commercialization	• Development of Mobile Contents Copyright Management Solutions Utilizing Watermarking	0.16 billion won	1 year (2012)



Major application examples of copyright technologies developed in 2012 are as follows. The MCST has pursued commercialization of the technologies through R&D technology transfer to contents distributors and service providers, blocking the distribution of illegal contents and facilitating the distribution of legitimate copyrighted works.

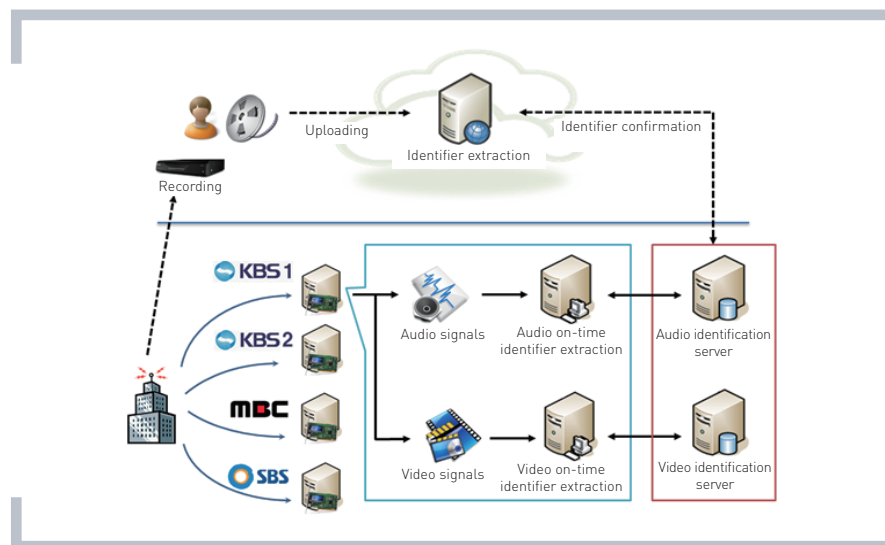
Anticipated Effects of Copyright Technology R&D Outcomes Developed in 2012

Technology Overview	Anticipated Effects
Copyright Protection Technology in the Cloud Environment	<ul style="list-style-type: none">It is easy to build a cloud system with free use of contents, as copyright is protected through connection with the cloud service;- Planning a test where automatic illegal broadcast uploading detection system will be mounted to the filtering system which is currently under service offered by Candle Media;- Planning a beta service where music cloud system is mounted to the 2ndrive service offered by Zetta Media.
Technology to Compare Similarities of SW Execution Codes	<ul style="list-style-type: none">Establishment of database on software static unique information can be widely utilized not only in countering illegal software distribution, but also in conducting software asset management in companies;- Securing technology that measures similarities on the binary code level can be used to secure evidence of software copyright infringement.
Webhard Log Information Black Box Technology	<ul style="list-style-type: none">Development of technology for effective log information collection and analysis can reduce the burden of real-time monitoring;- Contributing to establishment of copyright protection technology in a safe webhard market and trust-building among contents copyright holders, OSPs, and consumers.
Technology for Prevention of Illegal Mobile Application Reproduction	<ul style="list-style-type: none">Copyright protection technologies (technology to detect illegally reproduced applications, etc.) that blocks indiscriminate distribution of commercial applications will be transferred to webhard service providers and Internet filtering service providers to prevent illegal distribution of mobile applications.
e-Book DRM Compatibility Technology	<ul style="list-style-type: none">Securing compatibility of e-Book DRM technology can boost convenience of e-Book service providers, e-Book terminal manufacturers and e-Book contents users.- Commercialization of the technology is currently under way through Kyobo Bookstore and Korea Electronic Publishing Hub, which are e-Book service providers.

1) Development of Content-based Use Control Technology for a Clean Cloud

This R&D project is aimed to develop streaming forensic market and contents-based use control technology to promote the legitimate use of copyrighted works, prevent illegal sharing and promote efficient copyright management in the cloud environment. Technologies developed in 2012 included the on-time identifier generation technology to distinguish copyright for broadcast works in which high-speed updating on latest broadcast identification databases is possible, as well as the personal work sharing control technology using video classification technology and the variable use control technology depending on ownership of copyright.

Conceptual Diagram on Automatic Detection of Illegal Uploading of Broadcast Contents in the Cloud



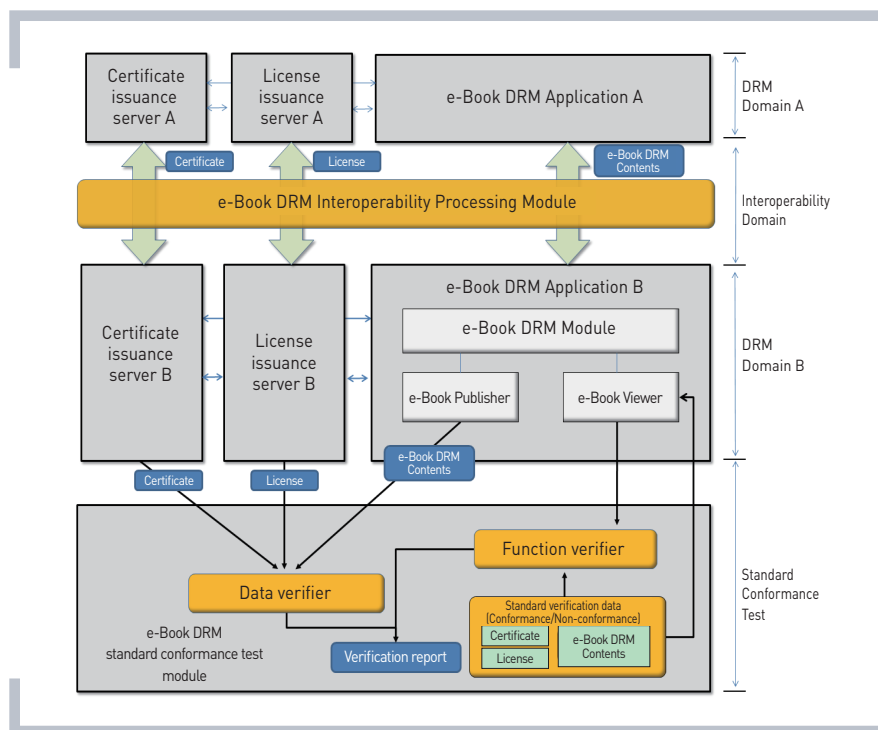
2) Development of International Standard-based e-Book DRM Standard Software Technologies

This R&D project aims to develop e-Book DRM compatibility technology based on the international e-Book standard ePub and also

to develop related technologies as open software to facilitate easy development and disclose it at www.sourceforge.net.

In 2011, ePub-based e-Book DRM standard reference software, as well as e-Book DRM security information management technology, was developed. In 2012, e-Book DRM interoperable technology and standard conformance test technology for e-Book DRM were developed.

Overview Diagram on e-Book DRM Interoperability and Standard Conformance Test Technology



3) Development of Inspection Software Technology for Prevention and Management of Copyright Infringement

This R&D project is aimed at developing technology that assists self-inspection of illegal works by comparing and searching at high speed



Copyright
Protection Activities

```
graph TD;
    UI[Multimedia Inspector] --- IOM[In/Output Module];
    IOM --> SE[Search Engine];
    SE --> EM[Extract Module];
    EM --> DM[Data Management];
    DM --> RM[Reporting Module];
    DM <--> UCM[User Contents Management];
    UCM <--> UD[(User Database)];
    LD[Local DB] --> EM;
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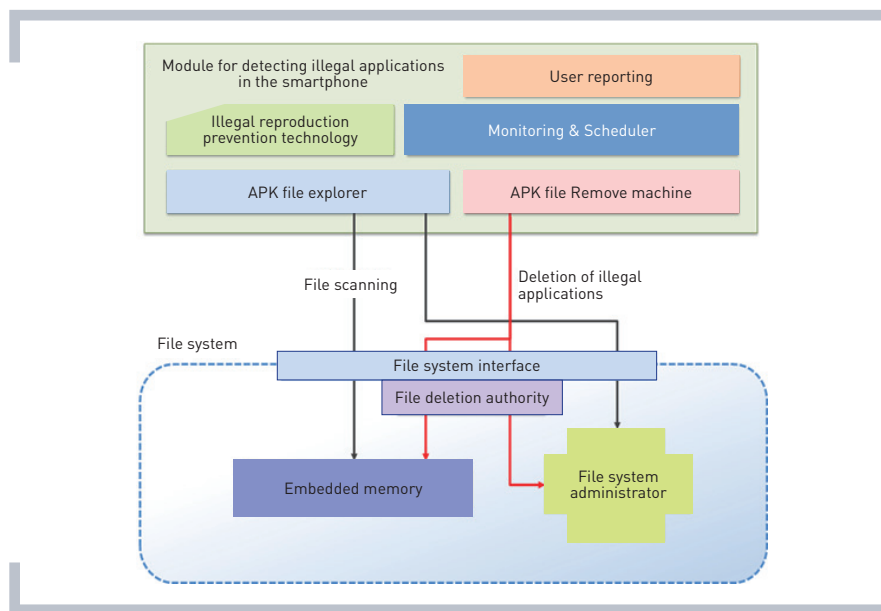
The diagram illustrates the architecture of the Multimedia Inspector system. At the top, the 'Multimedia Inspector' box is connected to the 'In/Output Module'. The 'In/Output Module' sends data to the 'Search Engine', which then feeds into the 'Extract Module'. The 'Extract Module' outputs to the 'Data Management' module, which in turn connects to the 'Reporting Module'. The 'Data Management' module has a bidirectional connection with the 'User Contents Management' module. The 'User Contents Management' module is linked to the 'User Database' (represented as a cylinder) via a bidirectional connection. Additionally, the 'Local DB' module provides input to the 'Extract Module'.

This R&D project is aimed at developing multi-stage protection technology to block illegal reproduction of smartphone applications. Sub-technologies include detection of illegal transmission and blockage of execution, track-down on those who illegally distribute illegally

reproduced smartphone applications, detection of illegally reproduced smartphone applications, and technology to prevent incapacitation of copyright protection via smartphone system software hacking.

In 2012, a range of technologies was developed, including technology to track down those who distribute illegally reproduced smartphone applications, technology to detect illegal applications in the smartphone, technology to prevent hacking of copyright protection technology, and commercialization technology that is applicable on the system software level.

Conceptual Diagram on Detection of Illegal Applications in the Smartphone

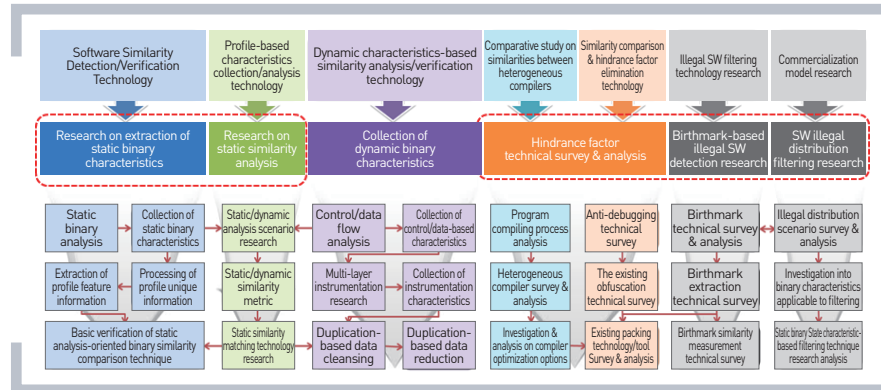


5) Development of Technology to Measure Software similarity Based on Dynamic Characteristics of Binary Code

This R&D project is to develop technology that can measure identity or similarity of software based on dynamic characteristics of binary codes

even when there only exist binary codes without software source codes. In 2012, profiling tools and dynamic profiling methods were developed to analyze the PE file format, which is an execution file structure for MS Windows, and to measure similarity of binary codes.

Technology Development Goals for 2012

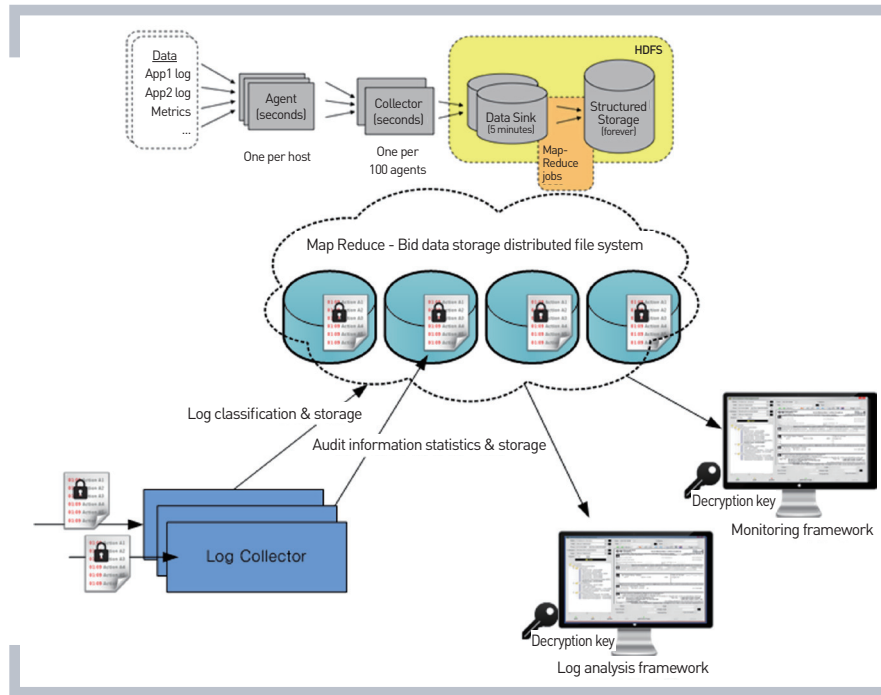


6) Development of Copyright Technology for Providing Reliable Log Information Related to Transmission of Copyrighted Works

Even through webhard companies block illegal works by using filtering systems and make payment on contents with which they have partnership agreements, copyright organizations raise questions about reliability of filtering operation and payment settlement. In order to address such reliability issues, technology that can provide reliability on log information of webhard was developed.

In 2012, as part of an effort to develop technology to detect and prevent forgery of key information on copyright by OSPs, log record analysis and forgery detection track-down technology, round-the-clock filtering and detour monitoring technology, and secure log technology to guarantee real-time integrity of log information were developed.

Conceptual Diagram on Log Information Collection & Analysis and Integrity Protection Technology



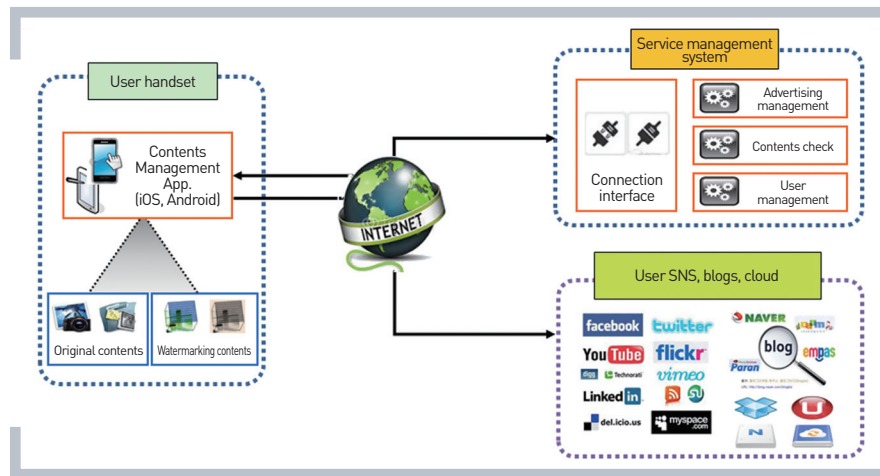
7) Development of Mobile Contents Copyright Management Solution Using Watermarking (R&D Technology Commercialization Project)

The R&D technology commercialization support project was implemented to prevent dying-out of technology and enhance the success rate of technology commercialization by supporting commercialization of copyright technologies developed through R&D activities.

The project was implemented in the form of free competition and the project titled “Development of Mobile Contents Copyright Management Solution Using Watermarking” was selected as the R&D project.

The research institution undertaking the R&D project was transferred with a patent on “watermarking technology using correlation peak position modulation method” and developed text and image watermarking technology for visible watermarks, while developing and commercializing wavelet transformation and direct spread spectrum technology for non-visible watermark.

Overview Diagram on Mobile Watermarking Service



2. Copyright Technology Performance Evaluation and Guidelines on Technological Measures

1) Copyright Technology Performance Evaluation

In order to promote legitimate service operation of special-type OSPs pursuant to Article 104 of the Copyright Act, in May 2011, the Korea Communications Commission(current, Ministry of Science, ICT and Future Planning) revised registration requirements of special type value-added telecommunication service providers specified in Article 22 of the Telecommunications Business Act and Article 29 of the Act's Enforcement Decree. This move is designed to prevent willful or negligent copyright infringement and illegal distribution of copyrighted works by enacting provisions on registration requirements of OSPs as well as cancellation, thereby further reinforcing obligations of service providers.

Annex 2-2 related to Article 29 of the Telecommunication Business Act Enforcement Decree specifies that in order to qualify for Webhard



registration, service providers must apply technological measures pursuant to the Copyright Act. According to the provision, technological measures specified in the Copyright Act must pass performance evaluation administered by the KCC, and only technologies that are valid within the date of evaluation validity must be applied. Also, the technologies must be applied around the clock.

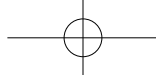
The KCC's copyright technology performance evaluation assesses feature-based filtering technology utilizing audio/video identification technologies. It is designed to prevent differences in technologies by technology providers and conflicts among interest parties that may arise surrounding technological measures. It is divided into technology evaluation and field evaluation, which are administered by the KCC. Technology evaluation evaluates the performance of the developed technology, whereas field evaluation evaluates whether the technology applied to OSPs actually performs well without any performance degradation.

To this end, the KCC established standards and guidelines of performance evaluation of feature-based filtering technology and launched a pilot service starting from the second half of 2010. As of the end of 2012, the performance evaluation confirmation certificate was granted to technologies of five companies.

2) Operation of a Consultative Body to Formulate Guidelines on Technological Measures

Concerning the issue of the extent to which “special-type” OSPs must implement technological measures to prevent infringement of their rights protected under the Copyright Act, a need has arisen for establishing guidelines that can be agreed upon among interest parties, such as rights holders and OSPs. Hence, a guideline draft was prepared through six rounds of meetings held from August to December 2010 and was confirmed in 2011 after having been reported to the Copyright Shared Growth Consultative Council.

With the revision of the Telecommunications Business Act on November 20, 2011, OSPs' social responsibility as contents distributors have been



enhanced, including a shift from the reporting system to registration system for special-type OSPs and further reinforced registration requirements. However, copyright infringement cases have frequently occurred even among registered special-type OSPs due to problems associated with operation and management of technological measures. This has raised a need for guidelines on management categories requiring confirmation in the course of operation of technological measures and implementation of operation and management of voluntary measures. In response, the guidelines have been drawn up after six rounds of meetings from September 2012 to December 2012.

3) Copyright Technology Standardization Research and Its Application

In 2012, in a bid to protect online broadcasting content, the KCC signed an MOU with the Film Federation against Piracy and the Korea Movie and Video Association, which focused on jointly establishing feature information database necessary for feature-based filtering and providing the database to trustworthy filtering technology companies and YouTube. It was the third time that the KCC signed such an MOU after it had signed the first MOU with SBS Content Hub in 2010 and the second MOU with MBC in 2011. The signing of the MOUs has laid the foundation for efficient management of copyright and stable distribution of contents by blocking early the distribution of illegal film and video works. As of 2012, the number of data items contained in the common feature information database for broadcasting contents amounts to approximately 64,000 of which MBC has 3,300 and SBS Content Hub has 61,000.



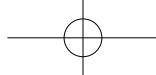


2012 Annual Report on Copyright in Korea

Facilitation of the Use of Copyrighted Works

I. Creation of an Environment for the Efficient Use of
Copyrighted Works

II. Creation of an Environment for the Fair Use of Copyright



I. Creation of an Environment for the Efficient Use of Copyrighted Works

1. Support for Facilitation of Copyright Business

1) Overview

With advancements in digital technology, digitalization of works has accelerated and distribution channels have become more diversified. Under such an environment, it is necessary to easily search and use copyright management information such as copyrighted works and copyright holders in order for users to use copyrighted works in a convenient and stable manner.

However, in the current online copyright market, copyright information is dispersed in a complex manner and individual companies and organizations have their respective management systems, making it difficult to achieve systematic and comprehensive management and operation of copyright information. Under the circumstances, transaction stability and reliability is not guaranteed in the use of copyrighted works. Users find it difficult to determine the legal relationship such as confirmation of copyright holders and conduct copyright clearance.

In order to improve the environment for the use of copyright, the Digital Copyright Exchange has been established to collect and provide copyright information systematically and to support online copyright transactions.



2) Activities and Outcomes

(1) Integrated Collection and Provision of Copyright Information

In order to collect and provide copyright information in a systematic way, it is imperative to develop a unique identification number system which allows users to identify individual copyrighted works as having the same information. To this end, the KCC has developed the “Integrated Copyright Number(ICN)” and established an integrated copyright information database, steadily expanding the scope.

Establishment of the Integrated Copyright Information Database and the Numbers of ICN Issuance

Classification		2008	2009	2010	2011	2012	Total
Musical Works	Domestic	370,000	15,000	158,428	58,031	1,427,781	2,029,240
	Overseas	-	100,000	323,930	-	-	423,930
Literary Works		400,000	400,000	49,432	259,109	30,550	1,139,091
Broadcasting Script		-	10,089	-	6,766	20,071	36,926
News Articles		-	-	-	2,409,269	1,400,588	3,809,857
Films		-	-	-	30,000	-	30,000
Images		-	-	-	6,139	-	6,139
Broadcasting		-	-	-	-	5,255	5,255
Public Works		-	-	-	-	27,943	27,943
Artistic Works		-	-	-	-	210	210
Total		770,000	525,089	531,790	2,769,314	2,912,398	7,508,591

In 2012, an integrated copyright information meta-database on 2.9 million data items was established and 2.9 million ICNs were issued. As of the end of 2012, the integrated copyright information database on 7.5 million cases was established and 7.5 million ICNs were issued.

Integrated copyright information consists of several meta-data. It is largely divided into information on copyrighted works and information on authors or copyright holders. The information on copyrighted works is further classified into common elements and unique elements by genres of works. The sub-categories of the integrated copyright information meta-data are as follows:

An Example of Sub-Categories of the Integrated Copyright Information Meta-Data

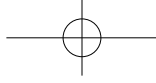
Classification		Sub-Categories
Information on Copyrighted Works	Common	Titles, domestic/overseas, whether subject to copyright trust or agency or brokerage
	Musical Works	Lyric, composer, arrangement, singer, performer, audio source producer, album title, year of release, etc.
	Literary Works	Writer, translator, book title, country of publication, media format, publication date, etc.
	Broadcasting	Producer, director, original title, cast, broadcasting date, broadcasting media, etc.
	Public Works	Format classification, meaning classification, paid or free of charge works, date of creation, etc.
	Artistic Works	Date of creation, date of collection, name of organization with the collection, structure and features, etc.
Information on Authors (Copyright Holders)		Name of right holder, name of representative, resident registration number (8-digit), business registration number, date of trust, stage name/pen name, date of death, etc.

In order to expand and develop the Digital Copyright Exchange, it is essential to collaborate with such systems as copyright collective management organizations and distributors. In this endeavor, a total of 21 organizations have signed partnership MOUs, starting with four organizations in 2007 in the fields of musical and literary works, and adding two in 2009, six in 2010, five in 2011 and four in 2012.

In order to enhance transparency of online audio source distribution information, the KCC signed MOUs in 2012 with the three leading music organizations (the Korea Music Copyright Association, the Korean Association of Phonogram Producers, the Federation of Korean Music Performers), the Korea Music Content Industry Association, and five music distributors (Neowiz Internet, LOEN Entertainment, Soribada, CJ E&M, KT Music) among organizations which had signed the partnership MOUs.

Status of Added Partner Organizations with the Digital Copyright Exchange

Classification	Organizations that have signed MOUs with the Digital Copyright Exchange	Field
2007	Korea Music Copyright Association (KMCA), Korean Association of Phonogram Producers(KAPP), Federation of Korean Music Performers (FKMP), and KBS	Musical Works



Classification	Organizations that have signed MOUs with the Digital Copyright Exchange	Field
2009	Korean Society of Authors (KOSA), Korea Reproduction and Transmission Right Association (KORRA)	Literary Works
2010	Korean Film Council (KOFIC), Mnet Media, LOEN Entertainment, KT Music, Neowiz Internet, Soribada	Films, Musical Works, News Articles, Literary Works
2011	Korea Cable Television & Telecommunications Association (KCTA), Korean TV & Radio Writers Association (KTRWA), Korea Broadcasting Performers' Association (KBPA), Seoul Business Agency (SBA), Sangwon Art Museum	Broadcasting, Images
2012	Korea Publishers Society (KOPUS), Korea Fine Arts Association (KFAA), Arirang International Broadcasting Foundation, Korea Music Content Industry Association (KMCI), etc.	Literary, Artistic, Broadcasting and Musical Works

(2) Support for Online Copyright License Contract

The Copyright License Management System (CLMS) was developed to provide a one-stop service for license contracts between the right holder and the user, as well as management of details of copyright use. The CLMS service was launched in May 2008.

Status of Online License Contract Signing

Classification	2008	2009	2010	2011	2012	Total
No. of Use	173	353	561	816	988	2,891

In 2012, the Integrated Copyright Management System and the Copyright License Management System were incorporated into the Digital Copyright Exchange (www.kdce.or.kr). Meanwhile, the musical works reproduction right license system has been improved, which led to an increase in the numbers of copyright license contracts through the Digital Copyright Exchange by 21% from the previous year.



Types of Copyright License Available in the CLMS

Musical Works	Transmission	Wired Internet, online games and animations, homepage background music, ringtones, corporate ringtones, wireless Internet
	Reproduction	Phonogram, video, music player and audio system, advertisement, films, publication, election campaign songs, others
	Compensation	Radio, satellite SO, audio PP, home shopping PP, Internet broadcasting, store music broadcasting, performance, etc.
Literary Works	Publication, duplication, transmission, broadcasting, performance, exhibition	
	Compensation (Compensation for works for educational purposes, compensation for the use of libraries)	
News Articles	Digital news service, digital news charging details	

(3) Building a Foundation for Collection of Integrated Musical Work Log Information

With provisions on online audio source transmission fees going into effect in January 2013, a foundation for collecting integrated log information on musical works was laid in December 2012 by collecting opinions of interest parties in an effort to support transparent and fair collection and distribution of copyright royalties.

With the introduction of the integrated musical works log information collection system, starting from 2013, phonogram producers or distributors will be issued with UCIs (Universal Contents Identifiers), unique identification codes, prior to release of audio sources. When they sell audio sources through the five leading music online service providers, log information following the sales of the audio source will be integrated and collected via the integrated music log information collection system on a daily basis, which will be provided to the three music right holder organizations. The information will be used as data for copyright royalty settlement and distribution. In addition, statistics, which is useful to rights holders, such as audio source sales trends and audio source sales rankings, will be provided in collaboration with Gaon Chart, an official music chart. The provision of daily log information will offer effective information on audio source sales trends to right holders, greatly contributing to boosting the effect of the holdback provision (quantity-based charge system) following the revision of copyright royalty collection provisions.



(4) Operation of “Find Copyright” Website

The “Find Copyright” Website (www.findcopyright.or.kr) is a website that provides copyright information and lists of copyrighted works which are qualified for receiving undistributed compensation to help right holders receive legitimate compensation. On the other hand, the website offers a copyright holder search service for users to relieve users of difficulties they face when they are unable to find rights holders and thus fail to use copyrighted works they want.

Since its establishment (www.right4me.or.kr) in 2008, the website built a system designed to find people’s rights as well as copyright holders to replace considerable efforts made to track down right holders of works whose rights holders are unknown or missing and has been providing the service in the present form, as the simplified statutory license system went into effect with partial revision of the Copyright Act Enforcement Decree (Presidential Decree No. 23721, April 12, 2012).

With the simplified statutory license system and compulsory registration system for orphan works taking effect in October 2012, the KCC organized briefing sessions on the simplified statutory license system and collected opinions related to the operation of the system. Furthermore, the KCC provided guidance on the simplified statutory license system and registration of orphan, thereby supporting smooth operation of the “Find Copyright” service. As a result, the KCC received 533,553 works under trust service and processed 531,906 works related to them.

In addition, the “Find Copyright Campaign”, which is staged annually through portal sites and daily newspapers, is designed to publicize the importance of finding copyright and help copyright holders be compensated for their legitimate rights. The campaign offers an opportunity to raise awareness of copyright finding and overall aspects of copyright not only to copyright holders, but also to the general public.

3) Assessment and Outlook

The Digital Copyright Exchange has laid the foundation for systematic collection and management of copyright information in wide areas



encompassing musical works, literary works, broadcasting and news articles and facilitation of use and processing of the information online, thereby facilitating the proper use of copyrighted works. However, it is true that the number of participating organizations is still insufficient and the areas of contracts are still limited. Therefore, participation of greater numbers of right holders and users in such areas as images is required, while it is also necessary to conduct various projects for collection and management of copyright information, which is modified in real time, and systematic copyright information management by partner organizations.

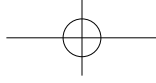
The Digital Copyright Exchange is a channel for copyright business and thus it needs to expand the scope of information collection not only to include information on the existing literary and musical works, but also to include information in various other areas. In addition, based on an assumption that there should be no distortion of the existing digital copyright distribution market, efforts should be made through consultations with relevant organizations to promote Business-to-Consumer (B2C)-style transactions to help the general public easily access and utilize Business-to-Business (B2B)- style online copyright transactions.

2. Establishment of Universal Contents Identifiers

The Universal Contents Identifier (UCI) is a content identification system based on standardization of identification numbers and systematic contents management. It is utilized for management and distribution owing to such advantages as reduction of distribution costs.

In 2012, the KCC focused on the use and facilitation of the UCI and pursued ways to link and integrate it with the ICN, as well as ways to facilitate the UCI and draw up service models. In order to ensure systematic UCI project implementation and management, the KCC established the “Support Project Management Guidelines and Work Handling Rules” in September 2012.

The KCC has implemented support projects in four areas including



applications, images, musical works and public culture information in an effort to facilitate the UCI through dissemination of the UCI and support for exploring business models. In the case of musical works, the UCI has been applied to the audio source distribution stage, laying the groundwork for using the UCI as a standard identification system for audio source distribution.

3. Statutory License

1) Overview

The statutory license system is a system that can be used when legal reasons arise such as cases where right holders of works are not tracked down, despite considerable efforts to find them. Under the statutory license system, the state or organization with authority approves the use of the works on behalf of voluntary license of copyright owners, allowing the user who applies for statutory license to use the work. This system is designed to contribute to cultural development through social utilization of works.

The Korean Copyright Act (hereinafter referred to as “the Act”) sets out three cases which are eligible for applying for statutory license as follows: First, where any person, despite his considerable efforts, cannot identify the owner of an author’s property rights in a work made public or his place of residence and therefore is unable to obtain the authorization of the author for its exploitation (Article 50 (1) of the Act); second, where a broadcasting organization which intends to broadcast a work already made public for the sake of the public benefit has negotiated with the owner of author’s property rights but failed to reach an agreement (Article 51 of the Act); and third, if three years have passed after the date of the first sale of a commercial phonogram in the Republic of Korea and if any person who intends to produce a commercial phonogram by recording works already recorded on such a phonogram has negotiated with the owner of author’s property rights but failed to reach an agreement (Article 52 of the Act).



The provisions of statutory authorization of works apply not only to the use of works, but also to the use of neighboring works such as live performances, phonograms and broadcasting. In the case of the use of database, only the first and second cases apply.

The old Act did not particularly exclude works by foreigners if the owner of an author's property right is unknown. However, revision has been made to the Act to allow application of statutory license only for works by nationals, as the statutory license, even though useful for the exploitation of works of unknown authors, limits exclusive rights of the right owner. It thus allows the free use of works by foreigners through an administrative order based on the domestic law for the reason that if their whereabouts are unknown it might violate international conventions.

2) Activities and Outcomes

Despite its advantages and purpose, such as exploitation of works in which the owner of author's property rights is unknown as specified in Article 50 of the Copyright Act, the statutory license system has not been widely used, given the short time since its introduction.

As indicated in the table below, the numbers of statutory license cases, which had been applied and processed by 2012 since the introduction of the system under the laws, stood at merely 39. The numbers of statutory license cases showed increasing trends for three years from 2008 to 2010. With the year 2011 serving as a turning point, it showed slightly downward trends. In 2012, two applications for statutory license were submitted.

Numbers of Statutory License Cases by Year

Year	1998	1999	2001	2002	2003	2004	2005	2007	2008	2009	2010	2011	2012	Total
No. of Cases	1	1	4	1	1	3	1	1	6	7	7	4	2	39



3) The Simplified Statutory License System Taking Effect

The year 2012 was an important time for improvement of the statutory license system. The simplified statutory license system was put forward as a way to facilitate the use of works whose owner of author's property rights is unknown to ease the complex procedures of the past.

The key point of the simplified statutory license system that took effect on October 13, 2012 is to simplify the considerable efforts required by the user, depending on the purpose of application for the statutory license system.

What is noteworthy in the simplified statutory license system, which went into effect through the revision of the Copyright Act Enforcement Decree, is that the Minister of Culture, Sports and Tourism has been added to the category of the person who exerts considerable efforts to identify the owner of the work in addition to the user. This indicates that the Minister of Culture, Sports and Tourism (entrusted to the KCC) can exert considerable effort on behalf of the user. Meanwhile, it was made possible to display a series of public notices related to the statutory license system such as notice on copyright holder inquiries, notice on authorizations, and notices on compensation deposit on the right holder identification information system in an integrated manner. This bears significance in that it improves information accessibility of interested parties and facilitates the use of the system.

4) Assessment and Outlook

There is heightened interest in the statutory license system amid higher level of public awareness of copyright and rising demand for securing various contents. It is forecasted that demand for the use of works whose owner of author's property rights is unknown will further increase, as the numbers of the so-called "orphan works" are on the rise with the copyright protection period extended through the Korea-EU FTA and the statutory license procedure has become simplified.



4. The Software Escrow System

1) Overview

(1) Significance of the Escrow System

The licensor and the licensee of the program may be reaching agreement with a trustworthy third-party escrow agent to deposit the program (the source code and technical information, etc.) to the depositee. The licensee might require the escrow agent to provide the deposited program when conditions set forth under the agreement are met.

This system was introduced in the old Computer Program Protection Act of 2002 (incorporated into the Copyright Act in 2009) from the “escrow system” of the United States. It is aimed at protecting the source code of the program licensor and promoting stable use of the program licensee, thereby invigorating the program copyright-related industry.

With the Computer Program Protection Act abolished and incorporated into the Copyright Act in April 2009, the KCC (incorporated with the Computer Program Protection Committee in 2009) has been in charge of the program’s escrow-related activities. According to the General Conditions of Service Contract of Contract Regulations of the Ministry of Strategy and Finance, parties that sign contracts with the state shall deposit technical information, such as the source code, with a third party organization and the KCC is designated as an escrow agent.

(2) Operation of the System

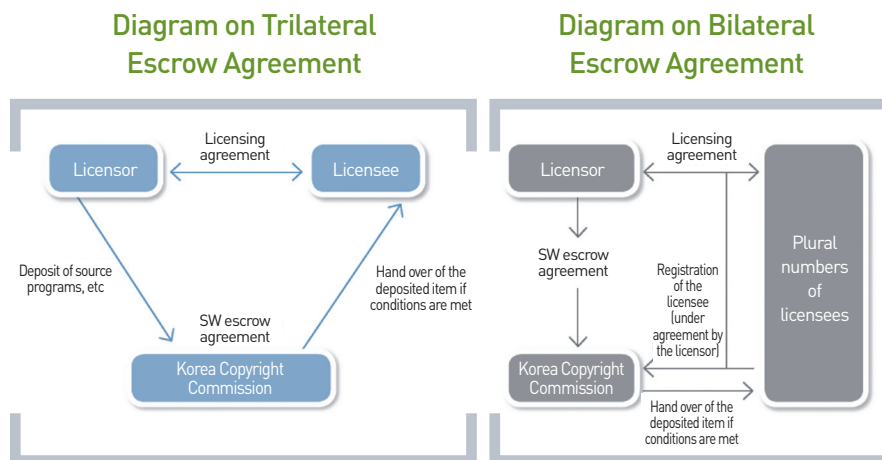
A. Objects of Escrow

The source code and technical information of the program under the program licensing agreement become objects of escrow. They can be stored in CD-ROMs and DVDs to deposit with the escrow agent.



B. Types of Escrow Agreements

The escrow agreement is classified into a trilateral agreement and a bilateral agreement. The former is a case that there is only a single licensee of the deposited program and the latter is a case that the number of licensees of the deposited program is plural.



Furthermore, there is a renewal agreement in which the agreement is renewed, if necessary, when one year, the program licensing period under the agreement, elapses. Another type is the latest version escrow agreement which is designed to prevent cases where it is virtually impossible to use the existing deposited items due to additional development, version-up or modification given the characteristics of the program.

C. Escrow Agreement Procedure

The licensor and the licensee submit an application form and the deposit article to the escrow agent who finally confirms the content of the agreement after confirming the storage of the article and virus infection status. The escrow agent receives a fee after allowing the parties concerned to check on the sealing of the article. The escrow agent keeps the article in a deposit safe for the agreement period and issues escrow certificate to the licensor and the licensee, completing the contract procedure.



If the escrow agent notifies the parties concerned of the arrival of the agreement renewal period prior to the expiry of the escrow agreement and the parties concerned do not renew the agreement, the escrow agreement is terminated. Therefore, the licensee should determine whether to renew the agreement through consultations with the licensor to ensure safe use of the program.

2) Activities and Outcomes

As a result of efforts to improve the system and boost convenience of users from 2008 to 2012, including improvement of legal systems, improvement of the escrow service, ongoing publicity activities, and establishment of the online escrow system (electronic contract), a total of 1,702 escrow agreements have been signed. By type, there were 692 new agreements, 682 renewed agreements, 243 cases of licensee registration, and 85 latest version escrow agreements.

3) Assessment and Outlook

The numbers of cases of escrow service had slowly increased from 4 in 2002 to 13 in 2003, 68 in 2004, 88 in 2005, and 88 in 2006. With the implementation of the software separate procurement system in 2007 serving as a turning point, the numbers showed a drastic upward trend with 150 cases in the year. The government made concerted efforts to publicize the necessity for software escrow, emphasizing the importance of the software industry as a future industry for the nation, protection of rights of software developers and balanced national development. As a result, the use of the escrow service has been steadily on the rise.

The software escrow system is an important institutional mechanism that can contribute to securing national software competitiveness and establishing a fair culture for subcontract transactions. Therefore, the KCC will strive to facilitate the use of the escrow system by improving related legal systems, enhancing the convenience of escrow service customers and further reinforcing mutual collaboration with the government and relevant organizations.



II. Creation of an Environment for the Fair Use of Copyright

1. Transformation of Public Domain into Creative Resources

1) Overview

With opening, sharing and collaboration becoming universal, the environment for creating and using knowledge is undergoing change, while the environment for using contents encompassing smartphones, tablet PCs and cloud service is becoming more diversified. As a result, the demand not only for converged contents, but also for new creative resources has increased sharply. In such a smart environment, capabilities of utilizing creative resources are emerging as the key to competitiveness of countries and companies and are considered crucial for future survival strategies. The KCC has operated the Forum on Transformation of Public Domain into Creative Resources involving the joint participation of the government and the private sector to seek action plans for facilitation of collection and use of works in the public domain under such environment. Meanwhile, the KCC also launched a portal site for public domain “Gongu madang (<http://gongu.copyright.or.kr>)” that comprehensively collects and provides information on the rights of public domain, endeavoring to transform works in the public domain into creative resources.

2) Activities and Outcomes

(1) Operation of the “Forum on Transformation of Public Domain into Creative Resources”



The Forum on Transformation of Public Domain into Creative Resources for 2012 consisted of 50 members. In order to ensure efficient discussions, the Forum has three sub-committees on collection and sharing, creation of the institutional foundation, and social collaboration. It strives to draw up action strategies to facilitate creation by collecting, exporting works in the public domain, and providing a public domain service.

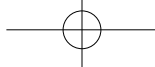
Starting from February 2012, the Forum held three sub-committee meetings on nine occasions, producing public domain content quality management measures and generating research outcomes on ways to introduce the Extended Collective License (ECL). It also introduced exemplary case studies of utilizing public domain on regular forum general meetings, while offering trends and issues such as overseas public domain operation status.

(2) Establishment of a Portal Website for Works in the Public Domain

A portal website for works in the public domain called “Gongu madang (<http://gongu.copyright.or.kr>)”, which incorporates the free use website focusing on expired or donated works since 2007, was officially launched in November 2012. Since then, the “Gongu madang” has been providing information on rights of public domain such as expired, donated works and public works (Korea Open Government License) and creative commons license (CCL) in a comprehensive manner. The Gongu madang provides information on rights of 184,000 public domain. As of late 2012, one million cases of original text viewing and downloading services were used.

Public Domain Status(Gongu madang)

Classification	2006	2007	2008	2009	2010	2011	2012	Total (Piece)
Literary Works	17,300	3,843	235	5,992	332	311	-	28,013
Artistic Works	30	752	1,111	3,175	-	-	50,229	55,297
Musical Works	1	216	556	21	-	-	-	794
Photographic Works	-	280	182	2,388	-	-	50,500	53,350
Public Domain	-	-	-	-	-	-	47,404	47,404
Total	17,331	5,091	2,084	11,576	332	311	100,729	184,858



In November 2012, in an effort to expand the base for public domain, the KCC signed an MOU on exchange of public domain information and mutual cooperation with Europeana, a foreign public domain project organization, building the foundation for sharing cultural heritages of Europe and Korea. Public domain of six European countries will be available through the Gongu madang in the future.

(3) Exploration of Public Domain in the Private Sector and Expansion of Service

With capabilities to utilize public domain emerging as one of core factors, a new project has been launched to support digitalization of works with great value for preservation in the fields of immense utilization potential and build them into a database in an effort to collect and explore public domain and to prevent works owned by the private sector from fading away.

Based on the public-private sector demand roadmap for public domain drawn up in 2011 by the Collection and Sharing Sub-committee of the Forum on Transformation of Public Domain into Creative Resources, priorities were given to artistic and photographic works with highest demand for utilization which were explored and digitalized. Through this, 100,000 works are available for use via the Gongu madang in accordance with license conditions of their owners.

Introspective Space (2007-4)
By Mo Jeong-sun



**Sosuseowon Confucian School-
Naejuk-ri, Sunheung, Yeongju-si,
Gyeongsangbuk-do, Republic of
Korea 1994-1, By Ahn Jang-heon**





(4) Raising Awareness of Public Domain

Attention of the general public is essential to create a virtuous cycle where Korea's contents resources become abundant by making, sharing and remaking public domain to help creators transform old contents into new contents and use public domain as resources in other areas.

As part of the effort, the KCC organized the "Remake Competition" where expired works in the fields of design and music are utilized based on a slogan of "Meeting Public Domain" (Man-Na-Da-meaning "meeting", an acronym of making, sharing and remaking in Korean). A total of 16 works won prizes at the competition. Among them, 14 works are available for service in the Gongu madang through donation of copyright by prizewinners.

3) Assessment and Outlook

As part of its efforts to realize a creative economy and society by fostering one-person firms and small-and-medium-sized venture firms, the MCST will continue to strive to find ways to efficiently transform public domain into creative resources and to promote the convenient use by the general public by exchanging ideas with organizations which own and utilize public domain to pursue exploration, collection, and expansion of public domain on an ongoing basis.

2. Establishment of the Foundation for Utilization of Open-Source Software

1) Overview

Open source software, which was created by Richard Stallman on September 27, 1983 as part of the GNU Project, refers to software whose source code is open to the public. In general, it refers to software which anyone can freely use, reproduce, distribute or modify. The usage of open-

source software is becoming diversified to the extent that the open-source software is the key to such technologies as cloud (open stack), big data (Hadoop), and mobile (Android, Tizen), which are currently drawing attention in the IT environment.

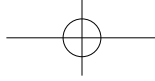
2) Activities and Outcomes

(1) Establishment and Operation of the Open Source Software License Information System

The establishment and operation of the Open Source Software License Information System (OLIS) has been pursued in the following areas: ▲ Building a database such as open-source software project information and source codes and expansion of collection; ▲ Enhancement of the open-source software license comparison/analysis/inspection service (hereinafter referred to as “CodeEye”); ▲ Development of Web services tailored to the OLIS website; and ▲ Equipment procedure with expanded system and laying the foundation for externally linked services. Establishment of the open source software database was launched in 2008 and the status of the database building is as follows:

Status of Establishment of Open Source Software Information Database

Classification	2008	2009	2010	2011	2012	Total
Open Source SW License Information	72	2	-	-	4	78
Open Source SW Project Information	200,000	940,000	560,000	680,000	620,000	3 million
Open Source Software Source Code	-	8.6 million	2.7 million	16.7 million	50 million	78 million



(2) Raising Public Awareness of the Open Source Software License

The KCC has implemented a wide range of education and public awareness programs for the general public to raise awareness of the open source software license, to build the foundation of establishment of a copyright culture, and to promote sound use of open source software. In 2012, projects aimed to raise public awareness of the open source software license were systematically implemented in the following sub-areas: ▲ Organizing free open source software license insight conferences; ▲ Organizing a meeting featuring the CEO of the Software Freedom Law Center (SFLC); ▲ Staging public awareness programs and campaigns designed to raise awareness of the open source software license and participating in domestic IT exhibitions; and ▲ Providing visiting training sessions on the open source software license.

3) Assessment and Outlook

A number of developers and IT companies are indiscriminately using open source software due to such problems as lack of awareness, cost burden and the fact that it is difficult to confirm various open source software licenses, raising the risk of possible disputes on copyright and legal responsibility in the future. In response, the KCC has established the nation's sole Open Source Software Data Warehouse and officially opened the Open Source Software License Information Service website and the CodeEye, which utilize the warehouse. Even though the numbers of website visitors and users of the inspection service are steadily on the rise, there are often cases where the service is not actively utilized due to the fact that people are unaware of the service. Under the circumstances, it is forecasted that legal disputes lodged by major open source software copyright holders of the United States and Europe, which have leading technology in the open source software, will increase significantly in the wake of effectuation of the Korea-U.S. FTA and the Korea-EU FTA. Against this backdrop, it is imperative to enhance publicity campaigns for the service.



3. Facilitation of the Use of Public Works

1) Overview

With the advent of the era of creative economy where intangible knowledge elements such as creativity are playing a pivotal role, the importance of utilization of data including contents is becoming more emphasized. At the same time, securing contents such as copyrighted works is emerging as a very important issue. Among them, Public works, which are produced and managed by government institutions, local governments or public institutions, have emerged as key industrial resources, as it has been highlighted that they can be utilized as core original materials for the contents and database service industries.

2) Activities and Outcomes

(1) Support for Copyright Clearance for Public Copyright

Amid increasing demand for public works in the private sector, opening and sharing of public works has become one of the most important tasks and goals of the state. However, utilization of public works by the private sector still remains insignificant. The biggest reason for the failure to effectively utilize public works, compared to the demand, is the ambiguous rights relationship of public works. Particularly, considerable numbers of public works produced by service providers through commissioned projects are faced with difficulties in utilization due to misunderstanding of creator doctrine, which is a principle applied for return of copyright.

In response, the MCST has implemented a “project to support right clearance for public copyright” from a year ago which supports right clearance of public works whose copyright relationship is ambiguous through comprehensive license and copyright transfer and provides even legal consulting service. The project selects candidates to provide support upon applications and conducts legitimate and efficient right clearance for copyright by analyzing the form of creation and contract relationship of the applied work. In addition, the MCST has further enhanced professionalism of the project by inviting knowledge service providers and lawyers



specializing in copyright to participate in the project.

In the initial-year project which was implemented from July 2012 to December 2012, the MCST selected a total of 15 organizations as recipients and provided support for right clearance of 470,000 public works.

(2) Collective Management of Public Copyrights

Collective management of public copyright refers to the entrustment of overall rights of copyrighted works, which are professionally created by the state, local governments or other public institutions or obtained from a third party and managed by them, to copyright collective management organizations that are in charge of overall activities related to external licenses of the copyright on behalf of the public institutions.

The collective management institution for public works was changed from the Korea Creative Content Agency to the Korea Database Agency in June 2011 and the scope of copyrighted works was also extended to include general public works. As a result, noticeable growth was witnessed in terms of the scope of entrusted works and the scope of license. As of the end of 2012, 186,501 copyrighted works from 22 organizations were placed under collective management and 3,700 free-of-charge or paid public copyrighted works under collective management were provided to the private sector. The KDB is planning a phased shift to making copyrighted works under collective management free or charge to facilitate the use of public works. It has shifted 4,600 paid works to free-of-charge works through consultations with collective management organizations.

Status of Collective Management of Pubic Works

Classification	2009	2010	2011	2012
No. of Works under Collective Management	29,556	29,658	52,700	186,501



(3) Distribution of the KOGL System and Technical Support

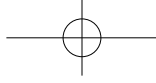
The Korea Open Government License (KOGL) system is an open license system for public works. It is a system designed to encourage the use of public works by showing simplified KOGL mark to indicate license of public works and the scope of the license. Since its introduction in February 2012, the system has been actively disseminated.

Status of Introduction of the KOGL System

Classification	Government institutions	Local governments	Other public institutions	Total
No. of institutions	27	3	28	58

In order to distribute the KOGL system among local governments possessing regional specific contents nationwide, the MCST and the KDB organized briefing sessions on the KOGL system for ten wide-area local governments from September 5 to October 30, 2012. It is forecasted that the briefing sessions on the KOGL system attended by 283 local governments, accounting for 67.1% of the nation's local governments, will not only publicize the KOGL system, but also contribute to copyright management capabilities of working-level officials in public agencies through education on management of public copyright.

In addition, the MCST has developed and distributed automatically applied source codes for the KOGL system to simplify the KOGL application procedure. This was attributable to the fact that the complicated KOGL mark attachment process, which involves registration of works on the KOGL website, generation and insertion of meta tags, poses an obstacle to dissemination of the KOGL system. Thanks to the development of automatically attached source codes for the KOGL, organizations concerned have been able to introduce the KOGL system without any technical burden. At the same time, a range of support activities are also taking place to disseminate the KOGL system, such as KOGL copyright registration agent service and dispatch of technical personnel.



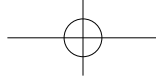
3) Assessment and Outlook

The need for opening and utilization of information and works produced and managed in the public such as the state, local governments and public institutions to the private sector has been increasingly called for. Even though the Korean government made concerted efforts in this regard over the past years, laws for opening and utilization of public works to the private sector have been insufficiently put in place, exposing limitations in implementing the policy. As there were no clear domestic provisions on public works, a number of organizations showed a passive attitude toward opening of public works to the private sector, as there were difficulties in management methods and rights clearance of public works. However, amid the growth of the contents industry, individuals and companies have become more interested in public works and the copyright issue rather posed a big obstacle to utilization of public works in the private sector. Under the circumstances, drawing up copyright management and distribution policies has emerged as an important pending issue prior to the opening and utilization of public works.

In response, the MCST devised “Guidelines on the Management of Copyright of public Works” in 2010 as part of policy to facilitate the utilization of public works in the private sector and implemented related policies aimed to fully utilize public works, including guidelines on rights clearance of public works, a project to support rights clearance for public copyright, and the KOGL system, building the foundation for management and utilization of public copyright.

As clear criteria are available in the utilization of public works by individuals and companies, it is expected that the provision and use of public works will be further facilitated and such virtuous cycle structure of public works will accelerate the utilization of public works by the private sector.

However, in order to boost the utilization of public works, it is more important for public institutions to voluntarily come up with a copyright management system to disclose copyrighted works in their possession. To this end, right clearance of public works should be preceded and it is necessary to distinguish works which require protection and works which can be used freely through the establishment of a clear rights relationship. Among the copyrighted works whose rights relationship have been



established clearly, concerning works which require proper protection and have high frequencies of commercial use, if collective management system for public works is used for them, it will enhance users' accessibility to public works and simplify license procedures, greatly boosting the utilization of works. On the other hands, with respect to works that can be used freely, they can be attached with a state license mark such as the KOGL to provide a guarantee for free utilization within clear license conditions, contributing to enhancing utilization of public works.

4. Copyright Coexistence Consultative Council

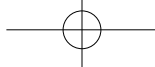
1) Overview

Under the copyright system, copyright holders are not allowed to exclusively exercise their rights limitlessly, while users are not allowed to freely use works without the license of copyright holders. Rather, the copyright system aims to protect the rights of authors and at the same time to promote fair use of copyrighted works, thereby contributing to the development of culture and related industries. Therefore, it is inevitable that there are restrictions for fair use in the copyright system and users can only use works within the scope of license or the limitations of author's property rights.

The Copyright Coexistence Consultative Council formed to facilitate communication among interest parties of copyright has such effects as reduction of disputes related to copyright and creation of a stable business environment. It is thereby making continuous contributions to invigorating the copyright industry.

(1) Purpose

The Copyright Coexistence Consultative Council was launched on September 22, 2009 to resolve problems concerning key pending issues related to copyright, to seek alternatives and reach agreement



through active participation by rights holders, businesses and users and communication for common interest. The purpose of the Council's establishment is to seek win-win solutions such as prevention of conflicts among rights holders, businesses and users with conflicting interests and come up with long-term cooperation measures.

(2) Organization

The Copyright Coexistence Consultative Council is composed of a Consultative Group (one representative from rights holders, businesses and users each and two representatives from public institutions), working-level consultative groups, and the Support Team. The main consultative group is a decision-making body that reaches final agreement on agenda items and makes final decisions. The working-level consultative body proposes concrete alternatives through discussions and research on pending issues and submits them to the main consultative body. Practical support to facilitate smooth operation of the two consultative bodies is undertaken by the KCC.

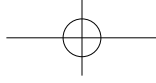
※ The main consultative body consists of the Korea Federation of Copyright Organizations (the representative of right holders), the Korea Internet Corporation Association (the representative of businesses), CCK (the representative of businesses) and two members from public institutions.

(3) Operation

The characteristic of the Copyright Coexistence Consultative Council is that it has a working-level consultative body by agenda items, which is separate from the main consultative body, to ensure efficient operation. There are no regular meetings and the Council is operated flexibly depending on the status of tasks.

2) Activities and Outcomes

With the revision of the Copyright Act, the Guidelines on Fair Use of Copyright voted for at the main consultative body in 2010 were revised following discussions in the relevant working-level consultative body and the results reported to the main consultative body. The guidelines explain copyright in an easy-to-understand manner for members of the

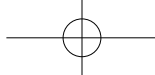


general public who find the use of copyright difficult to grasp. Major revisions included temporary reproduction of programs for maintenance of computers, temporary reproduction in the process of using works, and general provisions on fair use of copyrighted works. These changes are available for reference on the online website which also has links to legal provisions and detailed explanation, boosting the convenience of users. In addition to the original text, it also offers summary and users can download the entire guidelines. Meanwhile, in order to prepare for further expansion and development of the guidelines, a round-the-clock system on collection of new case studies on fair use of copyrighted works has been put in place, including suggestions for case studies to be added to the guidelines and suggestions on guidelines.

Furthermore, the general meeting of the Copyright Coexistence Consultative Council was held on April 30, 2012 to discuss regulations on collection of music transmission royalties. At the general meeting held on December 18 in the same year, reports were given on pending issues in 2012, provisional revision of the Guidelines on Fair Use of Copyrighted Works, provisional guidelines on the use of works for the purpose of school education and new discussion topics for 2013.

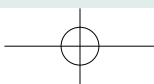
3) Assessment and Outlook

The Copyright Coexistence Consultative Council bears significance in that it has put the issue of the importance of copyright into the domain of public discussion, has jointly sought solutions for pending issues through voluntary participation of stakeholders (rights holders, businesses and users), and has widened an understanding of related tasks discussed through mutual concessions. Most of all, its greatest significance lies in the fact that it has provided a venue for communication on key pending issues on copyright among right holders, businesses and users with conflicting interests. The revision of the Guidelines on Fair Use of Copyrighted Works, which is considered the greatest outcome of the council, is expected to make a great contribution to facilitation of the use of copyright in the future. In addition, it has provided web service of the guidelines, enabling the public to have easier access to information on the fair use of copyrighted works. However, as the environment for the use of copyrighted



works continues to change with advancements in IT technology and social development, it is necessary to update the Guidelines on Fair Use of Copyrighted Works by adding new case studies on fair use on a continuous basis.

The Copyright Coexistence Consultative Council may face difficulties in the process of discussions due to conflicting interests, yet it is expected to be operational on an ongoing basis to create a win-win foundation surrounding copyright.







Copyright Collective
Management Organizations

2012 Annual Report on Copyright in Korea

Copyright Collective Management Organizations

I. Overview

II. Current Status



I. Overview

Copyright is an intangible right. Hence, it is difficult for the copyright holder to directly manage his or her rights in person. From the perspective of the user, it is also not easy to seek permission from the author individually. What is more, in the case of the use of a large quantity of works or the use of foreign copyrighted works, it is almost impossible for users to negotiate with copyright holders in person. Therefore, there is a need for an institutional mechanism that can promote conveniences of both the rights holder and the user.

Korea has operated the copyright collective management system based on provisions on copyright trust services under the Copyright Act. The copyright collective management system refers to ongoing management of economic rights, publication rights, or neighboring rights by copyright collective management organizations on behalf of the holders of such rights. Anyone who intends to engage in copyright collective management services must obtain permission from the Minister of Culture, Sports and Tourism (Article 105 of the Copyright Act).

The Korea Music Copyright Association, the Federation of Korean Music Performers, and the Korean TV & Radio Writers Association were authorized to provide copyright collective management services in 1988 for the first time in the nation. As of now, 12 organizations have been authorized by the MCST to provide copyright collective management services. In addition to copyright collective management, they strive to protect copyright protection and facilitate the use of copyrighted works through a variety of activities.

Copyright Management by Copyright Collective Management Organizations

Category	Organization	Rights under Management
Music	FKMP	Right of music performers
	KOMCA	Right of music copyright holders (composer, lyric, music publishing company)
	KAPP	Right of phonogram producers

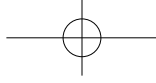


Category	Organization	Rights under Management
Literature	KOSA	Right of literary, dramatic, artistic and photographic works
	KTRWA	Right of TV broadcast writers
	KORRA	Right of reproduction and transmission of literary works
	KSWA	Copyright of scenarios such as film scenarios
Broadcasting	KBPA	Neighboring rights of broadcasting performers such as TV actors, voice actors, etc.
Cinematographic Works	KMVIA	Right of public performance of cinematographic works
	KFPA	Right of film producers
News	KPF	Copyright of news
Public	KDB	Public works (government institutions, local governments, public institutions)

II. Current Status

1. The Korean Society of Authors (KOSA)

The predecessor of the Korean Society of Authors (hereinafter referred to as “KOSA”) is the Korean Association of Authors which was established on May 19, 1984 to protect the rights of authors from illegal publication. As the need for its re-inauguration as a corporation was raised for the purposes of carrying out copyright protection and creation support activities in a systematic manner and boosting its public confidence, the name was changed to the Korean Society of Authors and it was officially



launched on July 28, 1988 after receiving approval by the Ministry of Culture and Public Information (currently, the MCST) for corporation establishment on July 13, 1988.

KOSA was authorized to provide copyright collective management services on March 16, 1989. Since then, it has managed copyrights of literary, dramatic, artistic and photographic works. In addition to copyright collective management, the main activities of KOSA include copyright infringement investigation and pursuit of legal remedies and public awareness activities by holding seminars and publishing publications. As of December 2012, KOSA had 3,462 members (including 82 groups).

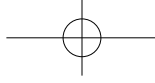
In 2012, the KOSA signed an MOU with the Korea Writers' Association (KWA) on April 18 to promote the rights of wider circles of copyright holders, while pursuing mutual cooperation with various organizations, including the Korea Novelists Association and the Korea Children's Writers Association, to provide support for defending the rights and interests of writers.

As the free-of-charge e-Book publication project supported by KOSA starting from 2011 was well-received among its members, the KOSA published 200 works in e-book format by 2012. It is also preparing for a project to provide support for publication of paper books for its members.

Meanwhile, KOSA members visited Japan to sign a mutual management agreement to distribute Korean literary works overseas and distribute overseas works in Korea and held discussions on the mutual management agreement with the Japan Writers' Association.

2. The Korea Broadcasting Performers' Association (KBPA)

The Korea Broadcasting Performers' Association (hereinafter referred to as "KBPA") was established in August 2001 to protect neighboring rights



of broadcasting performers, including TV actors, voice actors, comedians and MCs. It was authorized by the then Ministry of Culture and Tourism to provide copyright collective management services on February 20, 2002.

The KBPA signed a special agreement on the use of neighboring rights of its members with terrestrial and cable TV broadcasting companies pursuant to Paragraph 3 of Article 100 of the Copyright Act. Based on the agreement, it collects neighboring right license fees that arise when broadcasting organizations reproduce, distribute, broadcast or interactive transmit broadcast programs where its members make an appearance from them and distributes royalties to its members. Moreover, the KBPA joins the effort to amend the Copyright Act to promote the rights and interests of broadcasting performers, while participating in cooperation projects with copyright-related organizations.

As of 2012, the KBPA has signed MOUs with terrestrial broadcasting companies such as KBS, MBC, SBS, EBS, OBS and nine regional private broadcasting companies, as well as 47 program providers (PP) for cable TV programs, to protect the rights of its members.

Furthermore, it understands that the level of protection of performers' rights stipulated in Article 100 (3) of the Copyright Act lags behind, compared with protection cases of developed countries, posing an obstacle to protection and promotion of the rights of performers. Hence, it has been vigorously engaged in policy activities to address this issue. Apart from such efforts, the KBPA is engaged in a variety of other activities to protect the rights of its members in practical terms, while expanding welfare programs for its members. It is also striving to sign a special agreement with newly launched general-programming cable TV channels.

As of the end of 2012, the KBPA had 5,102 members and 17 executive members including the 3rd president Kim Ki-bok and 11 staff members in the secretariat work for the organization.



3. The Korean TV and Radio Writers Association (KTRWA)

The Korean TV & Radio Writers Association (hereinafter referred to as “KTRWA”) was established in 1962 to promote the rights and interests of TV broadcast writers who work in general fields of the broadcasting industry, including TV dramas, documentaries, entertainment, radio and translation, and contribute to the development of national culture through the growth of broadcasting literature and exchanges. It was authorized to provide copyright collective management services on September 20, 1988.

The KTRWA performs such activities as collection and distribution of royalties through copyright collective management, support for research and writing activities to improve the level of broadcasting scenarios, and welfare-related activities. Besides, it operates the Broadcast Writers Training Institute to foster broadcasting literature, while carrying out public relations and publication activities by publishing monthly “Broadcast Writers,” as well as a collection featuring winning entries of the Broadcast Writer Award. It is also actively involved in copyright protection projects as a member of various copyright-related organizations at home and abroad.

In 2012, the KTRWA focused on signing agreements on the use of copyrighted works, including reproduction and distribution of rebroadcast with general-programming channels, coming up with standards on specific royalties, etc. It also revised some provisions of collective agreements signed with terrestrial broadcasting companies to suit the changed broadcasting environment, thereby expanding objects of royalty collection. Meanwhile, the KTRWA continued to reinforce copyright management activities concerning outside producers in 2012, following such activities in 2011. It investigated cases where outside producers owned copyright and sold broadcasting programs overseas and collected copyright royalties from them. It also strengthened management on “broadcasting script writing contracts”, which are signed with writers to prevent damage cases where the writer transfers copyright to the producer against his or her will from occurring.



Meanwhile, as the numbers of cases where secondary works taking advantage of broadcast scripts are created and used are sharply on the rise, the numbers of license contracts with businesses have significantly increased. The KTRWA has signed license contracts for learning publication materials using broadcast scripts, publications that have edited broadcast scripts, production of theatrical versions, production of broadcast script collection, and musical performances and collected royalties from them.

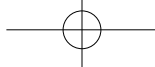
In addition, the KTRWA organized the 3rd TV and radio writers' workshop on copyright in partnership with the KCC (April 19-20, 2012). TV and radio writers from various genres, including drama, entertainment, program composition and radio participated in the workshop to learn about various case studies and related court decisions, thereby deepening their understanding of copyright and cultivating working-level capabilities.

As of the end of 2012, the KTRWA has 2,500 members, and it consists of 28 executive committee members including the 28th president Lee Geum-lim and 11 staff members at the Secretariat, which comprises a general administration team, a copyright team and an education and training team.

4. The Korea Reproduction and Transmission Rights Association (KORRA)⁷

The Korea Reproduction and Transmission Rights Association (hereinafter referred to as "KORRA") was established on July 1, 2000 to protect the rights of copyright holders and publishers and to promote the fair use of copyrighted works through collective management of rights on reproduction and transmission of literary works on behalf of rights holders. KORRA was authorized as a copyright collective management organization on November 14, 2000. It has six regular group members, including the Korean Society of Authors, the Korean Publishers Association, the

⁷ The name was changed from the Korea Reprographic and Transmission Rights Association to the Korea Reproduction and Transmission Rights Association on November 30, 2012.



Korea Music Copyright Association, the Korean TV and Radio Writers Association, the Korean Association of Academic Societies and the Korea Scenario Writers' Association, as well as four associate group members, including the Korean Association of Phonogram Producers.

KORRA is the nation's sole collective management organization that not only manages the rights of individual copyright holders, but also manages reproduction and transmission rights on behalf of its regular group members. This is in consideration of the fact that use by reproduction is not limited to specific fields, but is applied to works of all fields. Foreign countries also adopt management and operation methods which are similar to those of Korea.

KORRA is responsible for copyright collective management services and remuneration management services. Collective management services include reproduction license agreements involving photocopiers set up for public use in photocopy shops in university areas, government offices and companies, and transmission license agreements on academic journals and e-books. KORRA's collective management services include collection of copyright royalties through signing of agreements and crackdown activities aimed at identifying whether the use is legitimate or illegal, thereby taking the lead in protecting the rights and interests of holders of property rights of writing (authors and publishing right holders). In particular, during new school semesters (March and September), the KORRA performs joint crackdowns on photocopying businesses located in university areas in collaboration with the MCST and the Copyright Protection Center. It provides staff and funds to ensure effective crackdown activities.

Meanwhile, KORRA manages remunerations distributed to copyright holders among various remunerations pursuant to the Copyright Act, including remuneration on textbooks, remuneration for class teaching purposes, remuneration for class support purposes and remuneration in libraries. In order to promote convenience of remuneration-related services and ensure fairness, KORRA has established and operated a distribution and settlement system. In the case of remuneration on textbooks, since the designation of the KORRA as an organization to collect remuneration, the ratio of remuneration distribution has increased by approximately 20% compared to the time prior to the designation, indicating that visible achievements have been made. Such achievements have been made possible thanks to activities designed to expand distribution of



undistributed remunerations, including the establishment and operation of database on original texts included in textbooks (www.korra.kr and www.findcopyright.or.kr), online/offline advertising campaigns, production and distribution of leaflets, tracking down whereabouts of authors and copyright census.

The MCST initially announced standards for remuneration for class teaching purposes⁸, yet later announced revised standards⁹ that have included demands from universities, such as the introduction of fair use provisions and lowering of remuneration standards. These moves are aimed at mitigating financial burden of universities and early settlement of the system. However, universities have refused to sign a contract on payment of remuneration in an organized fashion. KORRA has filed a lawsuit demanding remuneration payment against the nation's six leading universities and the lawsuit is currently under way. KORRA conducted a survey sample design study on distribution of remuneration for classroom education purposes in an effort to maintain transparency of remuneration distribution raised by universities, while completing the establishment of a system designed for simplification of contract signing and collection services. KORRA participated in a taskforce team set up to come up with standards for classroom education support purposes, which is another type of remuneration stipulated in Article 25-2 of the Copyright Act and proposed provisional standards and is currently under consultations with parties concerned.

Highlights in 2012 include KORRA's expanded signing of mutual management agreements with member countries of the International Federation of Reproduction Rights Organization (IFRRO), as well as Korea's hosting of the IFRRO general meeting to be held in 2014. As of late 2012, KORRA has signed agreements with six countries and is in discussion with eight countries and thus the number of IFRRO member countries signing mutual management agreements is likely to increase in the future. Besides, the KORRA offers copyright education for textbook authors and publishers and those who are involved in adopted textbooks, while producing and sending its newsletters to raise awareness of copyright.

⁸ Minister of Culture, Sports and Tourism Notification No. 2011-017, April 28, 2011

⁹ Minister of Culture, Sports and Tourism Notification No. 2012-018, April 27, 2012



The KORRA board of directors appointed Chung Hong-taek (chairman of the International Copyright Technology Conference Organizing Committee) as its 5th president in August. Its decision-making bodies include the steering committee, the board of directors and the general assembly. At KORRA, a total of 13 staff members work for three teams(licensing and business team, legal remuneration team, and management support team).

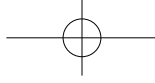
5. The Korea Scenario Writers' Association (KSWA)

The Korean Scenario Writers' Association (hereinafter referred to as "KSWA") was established to protect the rights and interests of scenario writers, offer collective manage services such as licensing and management of scenario works on behalf of scenario writers, and contribute to the development of scenarios. It was authorized to provide copyright collective management services on September 12, 2001 when its name was the Cinematographic Scenario Writers Association. As it was renamed as the KSWA in November 2002, it launched copyright collective management and brokerage services in full swing.

The KSWA finds it difficult to secure copyrighted works for collective management, given the current practices in the film industry where copyright of scenarios is all granted to film producers. Hence, its performance on collection and distribution of license fees is relatively low.

However, the KSWA is engaged in other activities, including activities to protect the copyright of its members, research into scenarios, prize awards to meritorious members, and projects to promote the welfare of its members. In 2011, it hosted the Korea Scenario Contest with prize money worth KRW100 million, contributing to invigoration of the film industry, including copyright projects.

KSWA has produced numerous scenario writers through its affiliated



organization, the “Scenario Writers Training Institute” established in 1992. In 2012 events and books marking 20th anniversary of its opening were held and published, respectively. One of Korea’s leading film directors, Kim Ki-duk who was also trained at the Institute attended the ceremony, making the occasion even more meaningful. Its activities in the year included training of scenario writers of 39th and 40th class and a scenario contest and prize-awarding ceremony. Numerous works by scenario writers who had been trained at the Institute were produced as films such as “Pieta” and “The Tower”. The KSWA recommends members for the Korean Film Council, and sectoral subcommittees of the Korea Media Rating Agency every year.

6. The Korea Press Foundation(KPF)

The history of the Korea Press Foundation (hereinafter referred to as “KPF”) goes back to 1962 when the Korea Press Center was established. Later, three organizations whose predecessors were the Korea Press Center, the Korea Press Institute(1964) and the Korea Journalists Fund (1974) were integrated to launch the former Korea Press Foundation (predecessor of the current KPF) in 1998. In February 2010, the Korea Press Foundation was launched with the consolidation of the former Korea Press Foundation, the Newspaper Circulation Institute and the Newspaper Promotion Commission.

The newly launched KPF has established five policy tasks: strengthening the competitiveness of the newspaper industry in the digital era; support for the production of high-quality news content; promotion and dissemination of reading culture; enhancement of the quality of government advertising agency services; and improvement of the printed media distribution structure and its 140 employees are conscientiously implementing those tasks.

With respect to news copyright, the KPF was authorized to provide copyright collective management services on June 7, 2006. As of the end of 2011, it manages the copyright of news works of 69 media of 59 media companies. Starting from 2011, 13 media from seven leading media

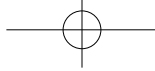


companies such as Chosun, JoongAng, and DongA have joined the KPF's services in the form of agency or brokerage services, so the number of media companies under the management of the KPF amounts to 82 media from 66 media companies. The Foundations' news copyright collective management services are provided in two forms: support for copyright protection through monitoring and prevention of the infringement of news copyright and facilitation of paid use of news content.

In 2012, the KPF organized a contest for a campaign against infringement of news copyright (UCC, newspaper advertising, slogan categories) to raise awareness of copyright protection. It also published research reports on the "digital news contents market and copyright" and "a study on news copyright-related systems and legal precedents in foreign countries". It also identified practices of using news-related copyrighted works and established a permanent monitoring system to prevent copyright infringement, while launching public awareness campaigns to protect news copyright via various media such as newspapers, radio and the Internet. It posted news copyright protection advertising on more than 100 occasions in the newspapers of its member companies. The KPF has also developed educational video materials on protection of news copyright for the general public and youth, respectively, and plans to utilize them for public awareness campaigns on news copyright this year.

In order to facilitate paid use of news, the KPF has provided integrated new package products for central government agencies, doubling the scale of paid use of news by state organizations, compared to the previous year. It is endeavoring to expand the supply of the paid package products to local governments and public organizations.

As a result of such efforts, the KPF's news copyright collective management project has been selected by the World Association of Newspapers and News Publishers (WAN-IFRA), which is the world's largest press organization in which the world's newspaper publishers and editors participate, as an exemplary business model in recognition of its contribution to boosting market value of news and its success story was presented globally.



7. The Korea Movie and Video Industry Association (KMVIA)¹⁰

The Korea Movie and Video Industry Association (hereinafter referred to as “KMVIA”) was established in 1999 to promote seamless and fair use of cinematographic works and establish their distribution order. It was authorized to provide copyright collective management services on November 9, 2005.

The KMVIA manages the right of public performance of cinematographic works and mainly grants licenses to DVD theaters nationwide for performance of cinematographic works. However, as the forms of movie watching have shifted toward online and digital formats, the numbers of DVD theaters in the nation have declined, resulting in a decrease in the collection of copyright royalties.

Nevertheless, the KMVIA has been taking the lead in protection of copyright of cinematographic works, acting as a secretariat for the “Film Industry Council to Eliminate Illegal Reproduction” in 2007 to urge special-type OSPs to mount technological measures to prevent illegal reproduction and striving to expand legitimate distribution of copyrighted cinematographic works. In 2009, it participated in the “Good Downloader Campaign”, a public awareness campaign for copyright protection as a steering committee member.

The KMVIA’s main activities include collective management of cinematographic works, collection and distribution of copyright royalties, crackdown on illegal cinematographic reproductions for copyright protection, protection of the rights and interests of its members, information management to facilitate the use of cinematographic works, suggestions for related bills and public awareness campaigns. In 2010, it established subcommittees to promote the development of the film distribution and home entertainment industries and pursued various solutions to address problems in respective industries.

In 2011, the KMVIA held a seminar on ways to promote the seamless use of cinematographic works and protect rights, while sharing its research on Article 29 of the Copyright Act (Public Performance and Broadcasting for

¹⁰ The name was changed from the Korea Movie and Video Industry Association to Movie Distributors Association of Korea on September 11, 2013.



Non-profit Purposes) and case studies of developed countries. It also hosted a seminar on the revision of the Enforcement Decree with the introduction of the Webhard Registration System and presented the direction of revision desired by the film industry.

In 2012, the KMOVIA held a seminar on the development direction of the film industry and the roles of distributors for globalization to share information on the roles of distributors and the government in the film industry. It also organized a press conference on the effectiveness and policy direction of the Webhard Registration System, expressing concerns of the film industry and future response measures.

In the second half of 2012, the KMOVIA carried out guidance and public awareness activities to eliminate the use of illegal cinematographic works and prohibit unauthorized use in libraries, accommodation establishments and bath houses. It also raised public awareness of copyright protection for cinematographic works.

As of the end of 2012, the KMOVIA had 54 companies as its members, including regular members and special members. It also has six staff members, consisting of directors including the president and staffs at the secretariat that deals with management of copyright of cinematographic works, strategic planning and collection of royalties.

8. The Korean Film Producers Association (KFPA)

The Korean Film Producers Association (hereinafter referred to as “KFPA”) was established in February 1994 as a consultative body for currently active film producers in Korea. It joined the International Federation of Film Producers Associations (FIAPF) in 2001 and was authorized to provide copyright collective management services by the then Ministry of Culture and Tourism in 2005.



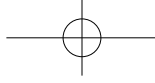
As an association of film producers, the KFPA is engaged in a wide range of projects involving Korea's film industry, including prevention of illegal reproduction and copyright protection, facilitation of the secondary market in the film industry, labor-management negotiations in the film industry and development of a standard contract form, and pursuit of rationalization measures of the industrial structure, thereby contributing to both qualitative and quantitative growth of the film industry in Korea. As of the end of 2011, the KFPA had 65 companies as its members.

In 2012, the KFPA successfully performed collective and wage negotiations jointly with the Federation of Korean Movie Workers' Union. At the same time, it played a leading role in federations of various popular culture groups such as the Korea Popular Culture and Art Federation (KPCAF) and the Korean Movie Collective Solidarity Meeting and the Film Industry Shared Growth Council, vigorously implementing policy activities aimed to promote the popular culture industries including the film industry.

9. The Federation of Korean Music Performers (FKMP)

The Federation of Korean Music Performers (hereinafter referred to as "FKMP") was established in June 1988 to protect and manage neighboring rights of performers. It was authorized to provide copyright collective management services on November 14, 2000 by the then Minister of Culture and Tourism and has managed neighboring rights of performers since then.

In addition to collective management services, the FKMP collects and distributes remuneration for music performers as it was designated as an organization to collect remuneration for broadcasting of phonograms for sale in October 1988, an organization to collect remuneration for digital sound transmission in 2008, and an organization to collect remuneration for public performances of phonograms for sale in 2009.



As of December 31, 2012, the FKMP had 6,307 performers as its individual members and six special members, including the Korea Singers' Association, the Singers' Committee of the Korea Entertainers Association, the Korea Recording Musician Association, the Korean Traditional Music Association, the Music Association of Korea and the Korea Musicians Association. Its major activities include collection and distribution of copyright royalties and various remunerations, protection of rights and interests of music performers and improvement of their status, protection of rights of Korean music performers in foreign countries and publicity campaigns on neighboring rights.

In 2012, the FKMP commissioned the Korea Copyright Law Association to conduct a research on a revision draft of the articles of incorporation of the FKMP and revised the draft reflecting the research results after receiving approval from the MCST (March 5, 2012). Based on the revision, it has introduced a professional CEO system. On February 15, 2012, it hosted a seminar on protection of music performers' rights on cinematographic works jointly with the Korea Singers Association in the grand auditorium at the National Assembly Library. This was a venue for in-depth discussions on protection of music performers' rights and improvement measures. Professor Ahn Hyo-jil delivered presentations on the current status of music performers' exercise of rights on cinematographic works and measures to improve music performers' rights on cinematographic works.

In 2012, the FKMP continued the project on redeeming rights of music performers to minimize royalties not distributed. It also opened the FKMP account on SNS such as Facebook and Twitter and developed an application featuring introduction to the FKMP, search of works under collective management, check on distribution and inquiries for the first time as a music copyright organization and distributed the application to android App stores for download, thereby expanding its service for members on a continual basis. As a result of such efforts, its individual members reached the 6,300 mark as of the end of December 2012 and the number of members for collective management is steadily on the rise.

Furthermore, in order to enhance the protection of Korean music performers overseas, the FKMP has been engaged in an exchange training



project with the Center for Performers' Rights Administration (CPRA) in Japan on an ongoing basis, while strengthening its international activities by attending the 37th general assembly of the Societies' Council for the Collective Management of Performers' Rights (SCAPR) and copyright-related international conferences hosted by the SCAPR and signing MOUs on reciprocal management contracts with overseas organizations. Recently, the FKMP signed a reciprocal management contract with Dutch neighboring rights management organization SENA.

10. The Korea Music Copyright Association (KOMCA)

The Korea Music Copyright Association (hereinafter referred to as “KOMCA”) was established in 1964 to protect the rights and interests of music copyright holders. It was authorized to provide copyright collective management services on February 23, 1988 and manages the right of public performance, the right of broadcasting, the right of interactive transmission and the right of reproduction of musical works. The KOMCA collected copyright royalties worth KRW 108.7 billion in 2011 and KRW 111.5 billion in 2012, despite global economic downturn and extreme industrial slowdown in Korea. The numbers of its members and collective management agreement signatories broke through the 15,000 mark and the number of works under its collective management amounts to as many as 1,725,733, indicating its strong position as a music copyright collective management organization.

Copyright Royalties Collected in 2012 by Category

(Unit: won)

Category		Budget Amount	Amount Executed (Amount Collected)	Target Achievement Rate
Revenues from Royalties for Musical Works	Broadcasting	24,687,620,000	22,665,453,779	92%
	Transmission	21,976,000,000	22,757,570,992	104%
	Advertising	660,000,000	612,660,000	93%
	Recording	14,985,000,000	15,345,239,653	102%
	Film	207,310,000	255,950,987	123%
	Publication	1,435,000,000	1,285,100,914	90%
	Performance	35,230,070,000	35,303,845,672	100%
	Overseas	12,050,000,000	12,075,211,704	100%
Interest on Revenues		-	1,272,044,631	-
Total		111,231,000,000	111,573,078,382	100%

The KOMCA received a visit by a Vietnamese delegation that included the director-general of the Copyright Office of Vietnam (COV) Dr. Vu Manh Chu, director of the Vietnam Center for Protection of Music Copyright (VCPMC) Mr. Pho Duc Phuong, vice director of the Recording Industry Association of Vietnam (RIAV) Mr. Trinh Sinh Nha, and writer from the Vietnam Literary Copyright Center (VLCC) Ms. Nguyen Thi Thu Hue and held a meeting to introduce the KOMCA's royalty collection and distribution activities in the grand conference room located on the first basement of the KOMCA building at 9 a.m. on July 12, 2012. The two sides agreed to accelerate discussions on facilitation of use of Korean works in Vietnam, as well as collection facilitation.

In addition, on December 4, 2012, during training sessions for representatives from countries in Asia and Latin America, as well as from Myanmar, Bhutan, Laos, Sri Lanka, Bangladesh, Mongolia, Nepal, India, Cambodia, Kenya, and Senegal, a project implemented in partnership with the World Intellectual Property Organization (WIPO), the KOMCA received a visit by a 11-member delegation including MCST department



head Lee Yeong-ah who is currently dispatched to the WIPO and Suresh Chand, deputy-director in charge of copyright registration at higher education department of the India's Ministry of Human Resources Development. KOMCA transferred its experience as a collective management organization by explaining the current status of KOMCA, royalty collection and distribution procedures and agreed to provide direct support in advancement of institutional systems in respective countries.

In a bid to strengthen ties with overseas copyright organizations and protect copyright trademarks, KOMCA signed reciprocal management contracts on performance broadcasting rights and reproduction rights with SAYCO of Columbia and on performance broadcasting rights with WAMI of Indonesia, LATGA-A of Lithuania, and APDAYC of Peru, invigorating international exchanges of music copyright.

In an effort to utilize basic data on establishment of a future personnel operation plan, the KOMCA signed an MOU on the 2012 workplace consulting service for tomorrow's hope with the Korea Labor Foundation to receive integrated diagnosis of workplace innovation and calculate the personnel capacity. Through the MOU, it has laid the groundwork for cultivating self-initiated innovation capabilities to improve labor productivity and the quality of work life and transform the workplace into a high-performing one.

In particular, KOMCA is striving to develop various new means of royalty collection and to expand royalty rates on a continual basis. As indicated by the new establishment of films' performance royalties, the organization continues to achieve not only quantitative growth, but also substantive qualitative growth. In the case of broadcasting royalties for terrestrial broadcasting stations, the royalty rate has been expanded to 1.2%, compared to the past, while it has been decided that revenues from endorsement would be included in the scope of revenues. It has also decided to settle VOD and webcasting service royalties under separate regulations, doing its utmost to protect the rights of its members.

In addition, in tandem with the enforcement of the revised provisions on collection of audio source transmission royalties on January 1, 2013, KOMCA has signed an agreement to introduce an online log data collection



system to facilitate market analysis through various statistics in a bid to secure transparency and fairness of royalty collection and distribution, to conduct real-time analysis of audio source use information, and to utilize audio source charts. By doing so, the organization has secured efficacy of holdback through audio source charts produced in various manners and contributed to invigoration of the digital music market.

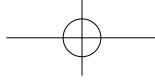
In October 2012, in an effort to unify log collection channels, an MOU on collection and utilization of log information on the use of audio sources was signed between the MCST and the KCC and the nation's three leading collective management organizations for musical works (the Korea Music Copyright Association, the Korean Association of Phonogram Producers, the Federation of Korean Music Performers), the Korea Music Content Industry Association, and five music service providers (Melon, Mnet, Bugs, Olleh Music, Soribada) to allow the utilization of the log collection system developed by the KOMKA at the Copyright Exchange under the KCC.

11. The Korean Association of Phonogram Producers (KAPP)¹¹

The Korean Association of Phonogram Producers (hereinafter referred to as “KAPP”) was established in 2001 to protect the rights and interests of phonogram producers. It was authorized to provide copyright collective management services by the then Minister of Culture and Tourism on March 17, 2003 and has provided collective management of 260,000 songs owned by 2,217 members.

In addition to collective management of neighboring rights for phonogram producers, the KAPP collects and distributes remuneration for 1.92 million songs of 3,000 phonogram producers, as it was designated as an organization to collect broadcasting remuneration for commercial

¹¹ The name was changed from the Korean Association of Phonogram Producers to the Recording Industry Association of Korea on May 9, 2013.



phonograms in 2001, as an organization to collect remuneration for digital audio transmission of phonograms in 2008 and as an organization to receive remuneration for performances for commercial phonograms in 2009 by the Minister of Culture, Sports and Tourism. Furthermore, the KAPP is proactively involved in copyright protection activities and crackdown on illegal audio sources.

Meanwhile, in May 2011, KAPP was transferred with the Korea Music Data Center project from KOCCA. The project is aimed at promoting citizens' right to culture by collecting and classifying data on Korean music in a systematic manner and building online and offline data center. Permanent and special exhibition halls and a data center were opened on the first floor and the first basement floor in the Olympic Hall. In 2011, the "Korean Wave Soaring into the World" was staged and Nam In-su Special Exhibition was featured in 2012. It is planning an opening of the 3rd exhibition with a new theme in June 2013.

Moreover, through the project to disseminate the UCI system in the field of musical works by applying for participation in the UCI projects and being selected as a participant in November 2012, the KAPP completed mapping of 13 million songs of five OSPs and issuance of UCIs in December 2012. By doing so, the organization expects to improve digital contents management and to enhance transparency of distributed information.

Besides, as a leading organization representing the nation's phonogram industry, the KAPP is planning to change its name to the Korea Phonogram Industry Association in 2013 to become a pivotal leader in the nation's music industry. In addition to collective management service and collection and distribution of royalties, the organization is making ceaseless efforts and conducting research to play a crucial role in the development of the phonogram industry.



12. The Korea Database Agency (KDB)

The predecessor of the Korea Database Agency (hereinafter referred to as “KDB”) was the Korea Database Center established in 1993 to promote database-building, which is a core infrastructure in the era of the knowledge economy. The KDB was newly launched in 2009 with the change of its name.





In line with the growth of the database industry in Korea, the KDB has implemented a wide range of projects, including the development and distribution of public databases, the promotion of the use of public information by the private sector, advancement of database quality evaluation system, and training of specialized database personnel. With the private sector’s rising demand for works owned by public institutions, the KDB has been authorized to provide copyright collective management services to accelerate their utilization.

The KDB has further updated the “ALRIGHT” system to perform collective management service more efficiently, while additionally developing and distributing the “Guidelines on the Management of Public Copyrighted Works Version 2” which has updated the previous Guidelines on the Management of Public Works developed to provide support for copyright management for public institutions.

Unlike private collective copyright management organizations that mainly engage in licenses of copyrighted works and collection of royalties on behalf of their members, the KDB is a copyright collective management organization in the public sector, so it focuses on distributing free copyrighted works based on the intentions of public institutions to promote the use of public works by the private sector.

In addition to collective management of public copyright, the KDB also strived to promote the use of public works by the private sector. As part of this effort, in February 2012, it introduced the Korea Open Government License (KOGL) system, which is a system to permit the free use of public works, and distribution is fully under way.

The Korea Open Government License (KOGL) System (www.kogl.or.kr)

Types of License	KOGL Mark	Scope of License
[Type 1] Source marking		<ul style="list-style-type: none"> • Source marking • Commercial or non-commercial use is possible • Secondary work production such as modification is possible
[Type 2] Type 1+ Prohibition of commercial use		<ul style="list-style-type: none"> • Source marking • Only non-commercial use is possible • Secondary work production such as modification is possible
[Type 3] Type 1+ Prohibition of modification		<ul style="list-style-type: none"> • Source marking • Commercial or non-commercial use is possible • Prohibition of secondary work production such as modification
[Type 4] Type 1+ Prohibition of commercial use + Prohibition of modification		<ul style="list-style-type: none"> • Source marking • Only non-commercial use is possible • Prohibition of secondary work production

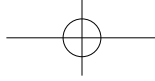




2012 Annual Report on Copyright in Korea

Appendices

- I. Copyright Statistics
- II. Major Activities in 2012
- III. Directory of Major Organizations



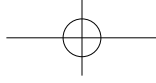
I. Copyright Statistics

1. Statistics on the Performance of the KCC

1) Copyright Education Programs by Year and Category

(As of Dec. 31, 2012)

Program Title	2008	2009	2010	2011	2012
Copyright Research School	18,441 persons (23 classes)	22,680 (27)	42,923 (50)	36,120 (43)	32,760 (39)
Hands-on Copyright Class	3,559 (79)	4,215 (117)	10,820 (198)	5,906 (99)	7,071 (100)
School Faculty Training(Offline)	75 (2)	76 (2)	79 (2)	79 (2)	58 (2)
School Faculty Training(Online)	2,727 (5)	3,305 (7)	3,308 (12)	10,526 (35)	13,813 (50)
Distance Education for the General Public	-	-	1,036 (20)	1,365 (66)	1,788 (91)
Distance Education for Youth	-	-	-	804 (2)	1,462 (2)
Distance Education for Public Officials	-	223 (8)	248 (10)	232 (27)	255 (33)
Copyright Academy	259 (10)	250 (12)	202 (10)	287 (11)	215 (9)
Copyright Culture School	178 (4)	182 (7)	69 (3)	61 (2)	85 (3)



Program Title	2008	2009	2010	2011	2012
Copyright Education Forum	-	-	100 (6)	-	-
Operation of Copyright Education Group	71 (3)	73 (3)	93 (4)	167 (5)	171 (4)
Copyright Compliance Education	161 (3)	7,812 (72)	3,444 (75)	2,657 (52)	2,856 (50)
the On-site Copyright Education Program	21,605 (122)	93,977 (374)	282,856 (2,459)	315,508 (3,411)	373,712 (3,374)
Copyright Training of Workers in the Copyright Culture Content Industry	15 (1)	-	46 (2)	-	-
Workshop for School Faculty Training	15 (1)	26 (1)	183 (2)	45 (1)	23 (1)
Copyright Education Workshop for Textbook Authors	-	44 (1)	221 (3)	135 (3)	212 (3)
Copyright Education in the Public Sector	86 (3)	-	-	-	376 (9)
Copyright Drama Circuit Performance	-	-	8,125 (20)	10,273 (27)	-
SW Management System Distribution Education	-	2,377 (50)	-	-	-
Total	47,192	135,240	353,753	384,165	434,857

2) Numbers of Registration by Year and Subject Matter

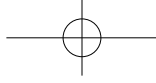
(As of Dec. 31, 2012)

Year Category	'87 ~'95	'96	'97	'98	'99	'00	'01	'02	'03	'04	'05	'06	'07	'08	'09	'10	'11	'12	Total
Literary	860	127	64	84	64	218	495	625	828	994	1,526	1,796	1,892	1,878	2,309	3,776	3,612	3,742	24,890
Musical	51	35	1	21	112	290	101	214	248	238	313	362	659	744	987	1,387	1,261	1,446	8,470
Theatrical	-	-	-	-	-	1	6	2	11	5	4	14	3	16	27	25	20	24	158
Artistic	756	66	13	50	159	712	1,774	2,842	2,919	2,439	4,816	3,779	3,599	4,278	5,075	4,632	5,179	7,092	50,180
Architectural	-	-	4	1	78	453	262	184	161	285	145	132	210	99	117	84	246	57	2,518
Photographic	6	-	-	1	4	18	43	93	339	736	1,048	3,877	6,350	2,993	378	447	281	507	17,121
Works																			
Cinematographic	455	29	186	41	20	109	473	287	432	800	732	723	660	247	238	676	374	505	6,987
Diagrammatic	25	1	1	6	5	24	49	91	88	19	265	440	564	506	400	742	567	528	4,321
Compilation	42	3	2	2	16	106	275	427	658	708	696	798	1,105	1,414	1,082	1,330	1,562	1,823	12,049
Secondary work production	-	-	-	-	-	7	99	193	772	847	795	180	253	199	279	451	907	645	5,627
Computer Program	29,447	9,736	7,700	7,582	7,836	13,855	11,019	10,062	9,946	10,304	10,532	10,699	10,624	11,192	11,856	12,483	13,858	14,101	212,832
Others	-	-	-	-	-	-	-	1	-	-	-	-	-	-	-	-	-	-	1
Other Subject Matter																			
Performance	-	-	-	-	-	-	1	-	1	-	2	61	24	4	93	24	3	30	243
Phonogram	162	-	-	-	-	14	37	21	49	82	184	68	36	73	1,366	705	230	565	3,592
Database	-	-	-	-	-	-	-	-	2	14	27	11	38	35	18	86	54	101	386
Total	31,804	9,997	7,971	7,788	8,294	15,807	14,634	15,042	16,454	17,471	21,085	22,940	26,017	23,678	24,225	26,848	28,154	31,166	349,375

3) Numbers of Dispute Conciliation Cases by Year and Subject Matter

(As of Dec. 31, 2012)

Category Year	Literary	Musical	Theatrical	Artistic	Architectural	Photo- graphic	Cinema- tographic	Diagra- mmatic	Compilation	Secondary work production	Other Subject Matter	Database	Computer Program	Total
1988	6	2	-	-	-	-	-	-	-	-	2	-	-	10
1989	5	-	1	1	-	1	-	-	-	-	-	-	-	8
1990	6	-	-	-	-	7	-	-	-	-	2	-	-	15
1991	13	1	1	4	-	1	1	-	-	-	4	-	-	25
1992	19	1	-	2	-	4	1	-	-	-	2	-	-	29
1993	18	1	-	6	-	2	-	-	-	-	-	-	-	27



Category Year	Literary	Musical	Theatrical	Artistic	Architectural	Photo- graphic	Cinema- tographic	Diagra- mmatic	Compilation	Secondary work production	Other Subject Matter	Database	Computer Program	Total
1994	30	2	-	6	-	6	1	-	-	-	1	-	-	46
1995	12	13	-	7	-	1	-	-	1	-	1	-	4	39
1996	10	6	-	1	-	1	-	-	-	-	-	-	-	18
1997	6	5	-	11	-	2	-	-	3	-	1	-	4	32
1998	13	9	-	20	-	4	1	1	3	-	-	-	5	56
1999	8	-	-	14	-	3	1	1	2	-	3	-	13	45
2000	7	1	1	9	1	1	3	1	-	-	3	-	13	40
2001	19	3	1	26	2	10	4	1	1	-	-	-	16	83
2002	32	7	1	23	1	20	16	1	8	-	-	-	18	127
2003	29	29	-	4	1	41	1	-	6	-	-	-	20	131
2004	14	3	-	33	1	13	1	-	6	-	2	-	24	97
2005	31	1	-	12	1	13	-	-	6	1	1	1	27	94
2006	24	30	-	5	-	16	1	-	6	1	6	2	33	124
2007	13	4	-	8	-	8	-	2	4	-	5	-	34	78
2008	9	15	-	5	-	10	3	-	4	-	1	2	13	62
2009	10	3	1	7	-	11	-	-	2	1	4	-	16	55
2010	18	6	-	12	-	7	2	1	1	-	7	-	8	62
2011	26	1	-	11	-	7	5	2	-	-	11	-	19	82
2012	17	13	-	1	-	4	-	-	-	-	10	-	33	78
Total	395	156	6	228	7	193	41	10	53	3	66	5	300	1,463

4) Appraisal on Copyright Infringements by Year

(As of Dec. 31, 2012)

Classification	2010	2011	2012	Total
Application	54	37	59	150
Appraisal	34(16)	38(21)	33(9)	105
Internal, Joint Appraisal	31(16)	28(19)	3(1)	62

※ () : Figures in parentheses are cases carried forward from the previous year.

5) Software Escrow¹² Services by Year

(Unit: No. of Case)

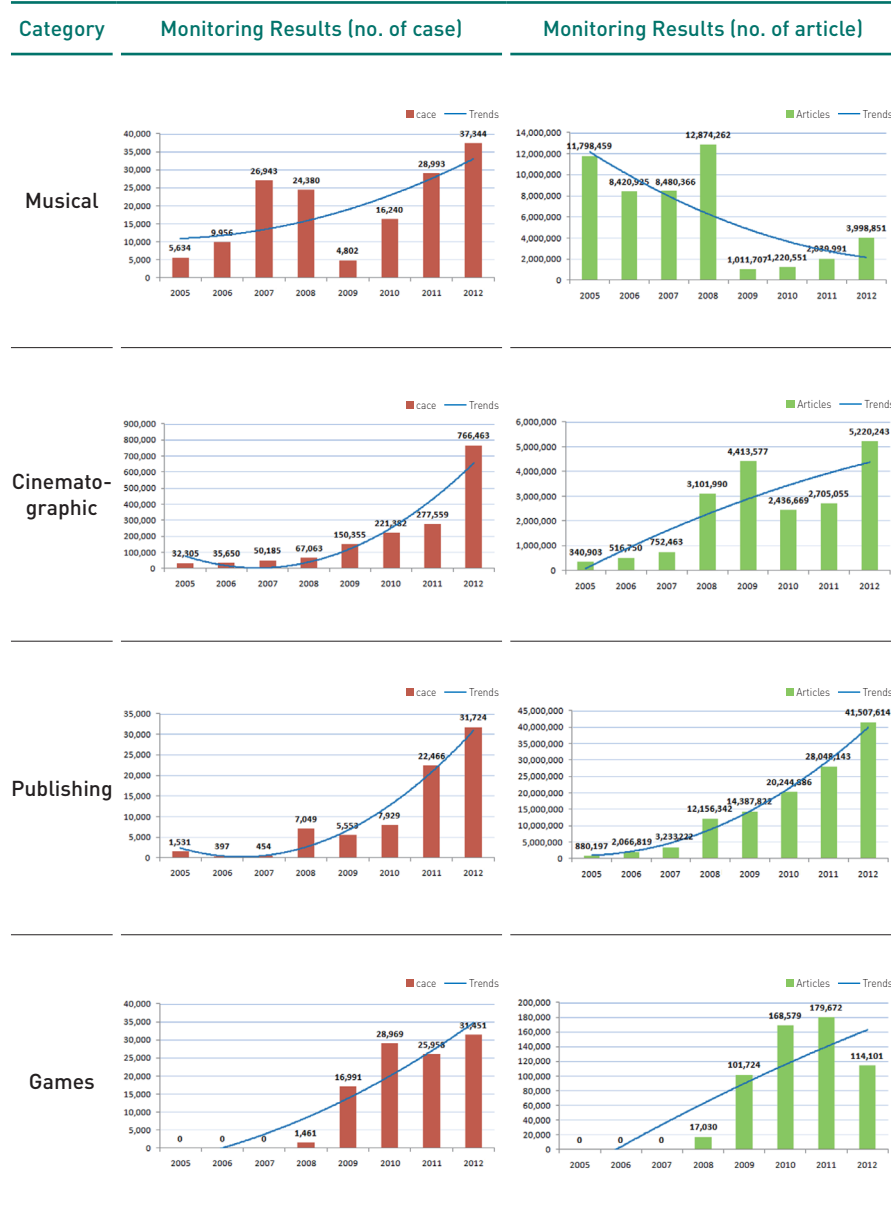
Classification	'00	'01	'02	'03	'04	'05	'06	'07	'08	'09	'10	'11	'12	Total
New Contracts	4	4	2	11	18	19	49	62	121	155	151	149	116	864
Renewals	2	1	2	2	6	19	17	48	65	97	126	182	212	779
Deposit Contract														
Registration of Persons with the Right of Use	-	-	-	-	44	44	13	21	59	47	53	62	22	365
Sub-Total	6	5	4	13	68	82	79	131	245	299	330	393	350	2,008
Deposit of Latest Versions	-	-	-	-	-	5	8	18	14	17	13	20	21	116
Others														
Technological Verification	-	-	-	-	-	1	1	1	-	-	-	-	-	3
Sub-Total	-	-	-	-	-	6	9	19	14	17	13	20	21	119
Total	6	5	4	13	68	88	88	150	259	316	343	413	371	2,127

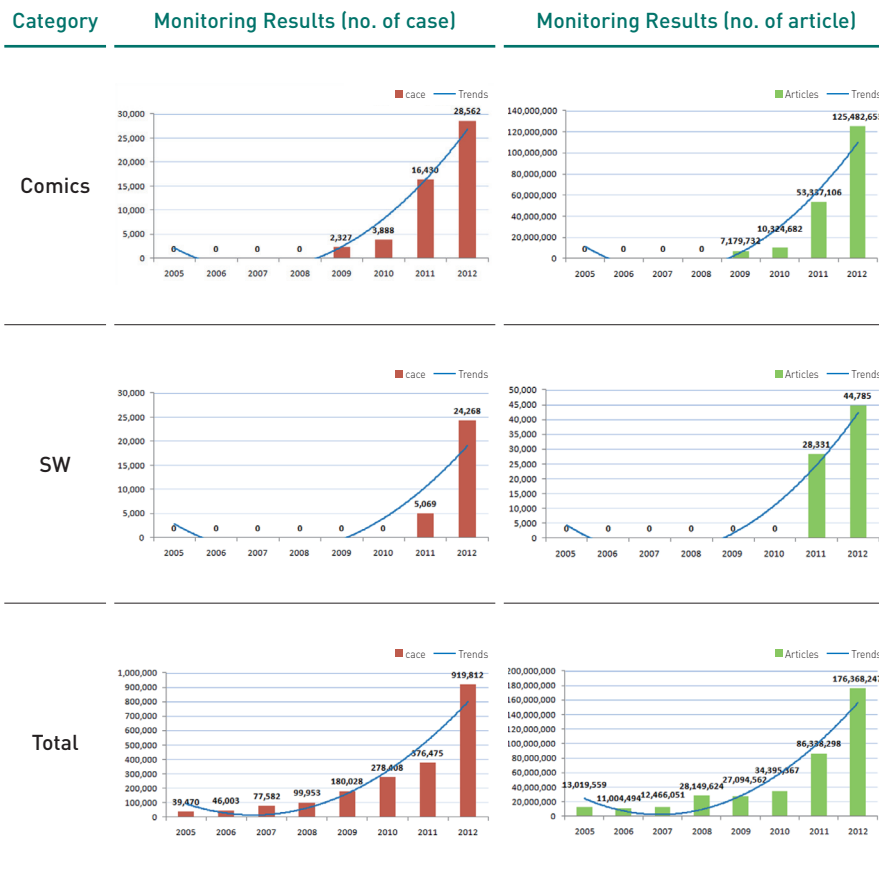
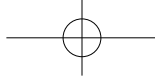
¹² Software escrow is a system for mutual cooperation where technical data, etc. are deposited at a reliable 3rd organization in order to maintain protection of copyright and stable operation of a company in technology development position.

2. Statistics on the Performance of the Copyright Protection Center

(Crackdown on Illegal Reproductions over the Past 8 Years)

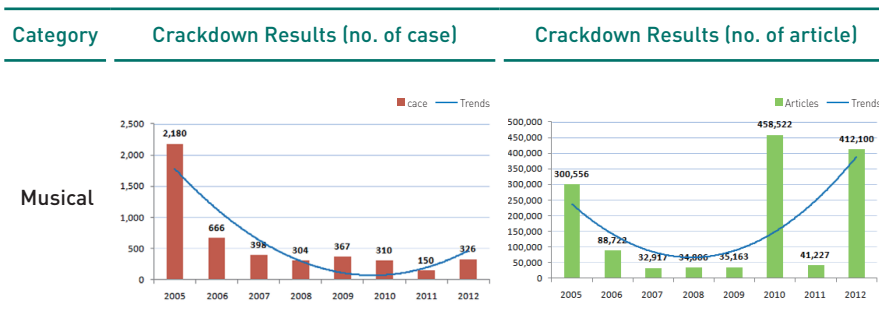
1) Online Monitoring





- ※ Monitoring of online game content, comics and software content commenced from October 2008, January 2009, and August 2011, respectively.
- ※ The above trend curve illustrates the change of crackdown performance from a long-term perspective.
(No. of Case; Trends) (No. of Article; Trends)

2) Offline Crackdown



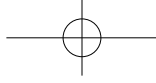


※ The crackdown on offline game content commenced in April 2009.
 ※ The above trend curve illustrates the change of crackdown performance from a long-term perspective.
 (No. of Case; Trends) (No of Article; Trends)



II. Major Activities in 2012

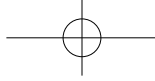
January	<ul style="list-style-type: none">- Integrated open service for the online copyright registration system (Jan. 2)- Reshuffling of the copyright automatic counseling website (Jan. 18)- Operation of the Copyright Knowledge Partner in Naver's "Knowledge iN" (Jan. 27)
February	<ul style="list-style-type: none">- Opening of the copyright authentication website (http://cras.copyright.or.kr) and launch of authentication business (Feb. 23)- The KCC transferred with the Universal Contents Identifier (UCI) work from the Korea Creative Contents Agency (Feb. 29)
March	<ul style="list-style-type: none">- The Citizens Opening Monitoring System officially launched (Mar.1)- Mobile learning service on copyright education for teachers and the general public launched (Mar. 5)- Discount of software escrow fee for small-and-medium sized software companies, additional discount for copyright registered software (Mar. 20)
April	<ul style="list-style-type: none">- 「Copyright Management and Securitization System」 patent registration (Apr.19)- Jointly hosted the Jeonju International Film Festival International Seminar (Apr. 27)- 「Software Copyright Policy Forum」 launched (Apr. 27)
May	<ul style="list-style-type: none">- Copyright awareness-raising animation transmitted through cable TVs' children's channels (from May to November)- Overseas Copyright Center Manila, Philippines Branch opened (May 10)
June	<ul style="list-style-type: none">- Young copyright instructors, the leaders in the copyright education for youth, are selected (June 15)- Adoption of 「the Beijing Treaty on Audiovisual Performances」 (WIPO)- The Open Source Software License International Conference hosted (June 27)- The 2012 General Meeting of the Forum on Transformation of Public Domain into Creative Resources (June 27)
July	<ul style="list-style-type: none">- Public hearing on partial revision of the Copyright Act (draft) (July 12)
August	<ul style="list-style-type: none">- Copyright SNS Reporters Launching Ceremony held (Aug. 8)
September	<ul style="list-style-type: none">- KCC signs MOUs with Daum and NATE (Sept. 5)- Launching ceremony on the On-Site Copyright Service Support Group for regional SMEs and one-person company held (Sept. 13)- "Copyright Statistics" which quantifies the copyright ecosystem is published for the first time (Sept.28)
October	<ul style="list-style-type: none">- The 2012 Seoul Copyright Forum is held (Oct. 10)- "Find Copyright" website is opened (Oct. 13)- The Simplified Statutory License System Taking Effect (Oct. 13)



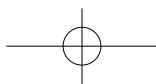
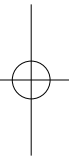
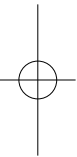
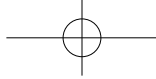
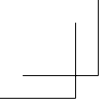
November	<ul style="list-style-type: none">- The 2012 Copyright Authentication Conference is held (Nov. 15)- The "Gongu madang" a portal site for public domain at home and abroad is launched (Nov. 19)- Special seminar on IP copyright with a presentation delivered by the WIPO deputy director general is held (Nov. 28)
December	<ul style="list-style-type: none">- The Education Institute is approved as a copyright long distance lifelong education facility from the Seoul Jungbu District Office of Education (Dec. 10)- Online software escrow system is launched (Dec. 12)- Overseas Copyright Center Hanoi Vietnam Office opens (Dec. 14)

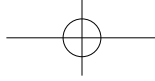
III. Directory of Major Organizations

Classification	Organization Name	Address	Homepage Address	Telephone No. (Main)	Fax No.
Major Organizations	Ministry of Culture, Sports and Tourism	215 Changgyeongung-ro, Jongno-gu, Seoul (110-360)	http://www.mcst.go.kr	+82-2-3704-9114	+82-2-3704-9154
	Korea Copyright Commission	6F&7F, 619 Gaepo-ro, Gangnam-gu, Seoul(135-240)	http://www.copyright.or.kr	+82-2-2660-0000	+82-2-2660-0019
	Korea Federation of Copyright Organizations	10F, CultureContentsCenter, 400 World Cup buk-ro, Mapo-gu, Seoul (121-835)	http://www.kofoco.or.kr	+82-2-1588-0190	+82-2-3153-2708
	Korea Software Property Right Council	6F&7F, SoftwareDevelopment Center, 447, Yeoksam-ro, Gangnam-gu, Seoul (135-280)	http://www.spc.or.kr	+82-2-567-2567	+82-2-567-2933
	Korea Creative Content Agency	400 World Cup buk-ro, Mapo-gu, Seoul (121-270)	http://www.kocca.kr	+82-2-3153-1114	+82-2-3153-1115



Classification	Organization Name	Address	Homepage Address	Telephone No. (Main)	Fax No.
Copyright Collective Management Organizations	Korea Database Agency	19F, Jongro 51, Jongro-gu, Seoul (110-789)	http://www.kdb.or.kr	+82-2-3708-5300	+82-2-318-5040
	Korea Music Copyright Association	KOMCA Center, 332 Gonghang -Daero, Gangseo-gu, Seoul (157-824)	http://www.komca.or.kr	+82-2-2660-0400	+82-2-2660-0401
	Korean Association of Phonogram Producers	7 F, 58 World Cup buk-ro, Mapo-gu, Seoul	http://www.kapp.or.kr	+82-2-3270-5900	+82-2-711-9735
	Federation of Korean Music Performers	7F, Doremi Building, 659 Gonghang -Daero, Gangseo-gu, Seoul(157-862)	http://www.fkmp.kr	+82-2-745-8286	+82-2-766-1034
	Korean TV&Radio Writers Association	#401, Geumsan Building, 750 Gukhoedae-ro, Yeongdeungpo-gu, Seoul (150-874)	http://www.ktrwa.or.kr	+82-2-782-1696	+82-2-783-3711
	Korean Society of Authors	#1020, Olympia Center, 72, Nonhyeon-ro 79, Gangnam-gu, Seoul(135-080)	http://www.copyrightkorea.or.kr	+82-2-508-0440	+82-2-539-3993
	Korea Scenario Writers Association	#202, Capital Building, 27, Seoyae-ro, Jung-gu, Seoul (100-273)	http://www.scenario.or.kr	+82-2-2275-0566	+82-2-2278-7202
	Korea Reproduction and Transmission Rights Association	8F, Jungang Building, 179, Hwagok-ro, Gangseo-gu, Seoul(157-010)	http://www.krtra.or.kr	+82-2-2608-2800	+82-2-2608-2031
	Korea Film Producers Association	#503, Boaz Building, Supyo-ro 28, Jung-gu, Seoul(100-272)	http://www.kfpa.net	+82-2-2267-9983	+82-2-2267-9986
	Korea Movie and Video Industry Association	2F, Mijin Building, 23, Dasan-ro, Jung-gu, Seoul(100-450)	http://www.kmva.or.kr	+82-2-3452-1001	+82-2-3452-1005
	Korea Broadcasting Performers Association	#604, River Tower, 63-ro, 36, Yeongdeungpo-gu, Seoul(150-971)	http://www.kbpa.kr	+82-2-784-7802	+82-2-784-7805
	Korea Press Foundation	12F, Press Center, Sejongdae-ro 124, Jung-gu, Seoul(100-750)	http://www.kpf.or.kr http://www.newskorea.or.kr	+82-2-2001-7114	+82-2-2001-7720





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