

**Abstract**

**Criteria for Recognizing Exhaustion of Distribution  
Right to Imported Copyrighted Products**  
- Focusing on the Supreme Court, Judgment  
of 7 December 2023, 2020Do17863 -

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The doctrine of exhaustion of rights asserts that intellectual property rights, such as patents, trademarks, and copyrights, are exhausted and no longer applicable once a product embodying these rights is released into the market with the permission of the rights holder. In Korea, the principle is explicitly stated only in the Copyright Act, whereas it is not specifically mentioned in the Trademark and Patent Acts. Consequently, the standards and theories of rights exhaustion regarding trademark and patent have been primarily developed through case law and academic discourse. Given the ease of distributing intellectual property goods internationally, rights exhaustion is a significant consideration in global transactions.

In the context of copyright exhaustion, although the Copyright Act explicitly addresses the exhaustion of rights, there were no significant cases dealing with the parallel import of copyrighted works until the Supreme Court's decision on December 7, 2023 (Case No. 2020Do17863), which is the focus of this paper. Prior to this ruling, there was considerable debate over whether Korean copyright law permitted only domestic or also international exhaustion of distribution rights. This judgment is pivotal as it establishes the legal basis for the exhaustion of distribution rights,

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specifies the criteria for domestic exhaustion, and determines that Article 20 applies to international exhaustion by clarifying the conditions for the parallel import of genuine goods. This paper will analyze the requirements for both domestic and international exhaustion, drawing on the insights from this landmark decision.

#### **Keywords**

Distribution rights, exhaustion of rights, genuine goods, parallel importation, international exhaustion, compensation theory, trade protection theory