

Commentary on Major Intellectual Property Law Cases

I. TV Show “Kim-Suro” Script case, Supreme Court 2016.07.29, ruled 2014do16517 (case regarding requirements for collective work)

1. Facts

1) Codefendant A, the chief manager for MBC Drama, and codefendant B, the representative for the outsourcing production company, have worked on the production of the TV show, Kim-Suro.

2) The defendants signed a scriptwriting contract with ○○○ plaintiff (‘plaintiff’ hereafter) which assumes the script will be fully furnished by the plaintiff.

3) However, the defendants notified the plaintiff of the termination of said contract without justifiable reason after the plaintiff had written only 6 episodes of the script for a drama meant to air for 32 episodes in total. Another scriptwriter completed the writing for the season based on the script the plaintiff had already written.

4) The defendants have also allowed an outside publishing company to adapt the story into a novel under the name ‘MBC Weekend Drama Special <Kim-Suro>.’ Hence, the plaintiff has sued the defendants for the infringement of adaptation rights.

2. Verdict

1) When 2 or more people have contributed to the creation of a single work consecutively, if the preceding copywriter – while his or her portion of the creation is unfinished as a single work – has the intent that another

may complete a single finished work that cannot be used separately through modification, addition or deduction, and if that other person has the same intent to engage in collective work, they can be considered to have the intention to create joint work through mutual cooperation.

2) In contrast, if the preceding copywriter merely had the intention to finish the work through his or her own creation, there cannot be an intention to create joint work even if another copywriter has completed a single work, unable to be used in separation through modification, addition, or deduction.

3) The portion written by the plaintiff, including the script, although inseparable in use from other portions of the single work, were written by the preceding copywriter (plaintiff) with the intention of finishing the work by him or herself. Therefore, there was no intention to create joint work between the plaintiff and the writers that finished the script pertinent to this case.

3) Even though the parts of the script the plaintiff created became only a portion of the entire script and were merged into a single work that cannot be used separately from the other parts, the plaintiff (preceding author) only intended to complete a single work of his or her own creation; therefore, it cannot be accepted that the plaintiff and the authors who completed the script shared an intention to jointly create a work.

3. *Commentary*

The verdict above strictly limited the establishment of a joint work by strongly demanding 'subjective intent.' In terms of any background that may have led to this judgement, the former Supreme Court decision 2012Do16066, which made it difficult for a co-author to regulate other co-authors' arbitrary usage of the work when the work is recognized as a joint work, might have largely influenced this verdict.

'Joint work' refers to a creation done jointly, and each of the contributing parts of a joint work cannot be separated. A work is recognized as a joint work when an intent to create jointly, a subjective requirement, and an action of creating jointly, an objective requirement, combine. , Article 48(1) of the Korean Copyright Act rules that each author of a joint work cannot independently exercise his right on the work without

the consensus of every co-author of the work. Judging by the language in the article, it appears that the act of one co-author using the work without the consensus of all co-authors is criminally liable just as if a 3rd party were to use the work without permission. However, there was strong criticism that if one interprets the article in this way, a co-ownership relationship under copyright law becomes overly mutually restrictive compared to the co-ownership relationship in the civil code. Reflecting these criticisms, the Supreme Court ruled in the 2012Do16066 verdict which dealt with the interpretation of Article 48 that when a co-author uses the work without consensus, he may not be criminally liable for copyright infringement, letting alone any civil liability of violating this article.

However, according to this verdict, when multiple agents create one work and the work is recognized as a joint work, it is difficult for each creator to regulate other creators when they arbitrarily use the work. The target ruling actively considered this point and strictly demanded the intent to jointly create to protect a copyright holder from the illegal use of a work by a person who is not a co-author.

There has also been criticism of the Supreme Court's decision in the verdict.¹⁾ The gist of the criticism is that since the act of creation under the copyright law is merely a Realakt under the civil code, one should put more weight on the objective requirement (action) over the subjective requirement (intent). In this case, the objective requirement was sufficiently satisfied.

II. Supreme Court Decision 2012Do13748 Decided March 12, 2015 (Whether a link to an infringing web site is aiding and abetting violation of a copyright)

1. Facts

1) The defendant of this case operated and managed the online website related to this case, a site called 'chewing,' which is dedicated to a Korean

1) Sung-ho Park, *2014NYEON-JIJEOKJAESANBUB-JUNGYO-PANLYE*, at 214, 215. (2015).

cartoon and where information is exchanged among members.

2) Some members of the website posted a message containing a link to a foreign blog that features digital contents such as Japanese animations (hereinafter “digital contents”). The digital contents were unlawfully replicated or altered by translation without any license or authorization from the copyright holders. However, the ‘chewing’ website itself did not save these replicated or altered articles.

3) The operator of the website and the defendant in the present case did not delete the posted links or take any measure to delete them.

4) The Korean publisher who was granted exclusive rights to publish the translated version of the digital contents sued the operator, rather than the anonymous website members. Accordingly, the prosecutor indicted the defendant for the charge of aiding and abetting the violation of the Copyright Act.

2. Summary of Decision

1) “Internet link” is merely a guide or route to locate copyrighted materials stored in a webpage or website connected by such a link. As such, even if an internet user clicks on a link that directly connects them to a webpage or copyrighted material, the act of posting an internet link does not by itself constitute reproduction or transmission as defined under the Copyright Act.

2) Users clicking on the link are forwarded to webpages which may infringe a copyright holder’s right to reproduction or public transmission by posting copyrighted materials or transmitting copyrighted materials to internet users without having obtained any license or permission from the copyright holders. However, because the act of linking cannot by itself facilitate commission of infringement, it shall not be deemed as aiding and abetting an act of copyright infringement.

3) Therefore, even if the defendant provided a space for the post that contains such a link and kept it posted without deleting it, such an act cannot be considered as aiding and abetting a violation of the Copyright Act.

3. *Commentary*

Before this decision, the Korean Supreme Court maintained its clear position that posting an internet link does not constitute reproduction and transmission as defined under the Copyright Act, through precedent cases including the ‘cellphone bellring case’ and the ‘image search engine’s inline link case’. In addition, the present decision not only ruled that posting a link is not a direct violation (reproduction or transmission, etc.), but also is not considered as aiding and abetting any violation of the Copyright Act. It can be said that the intention to guarantee freedom to exchange information online is implicit in this decision.

However, I think there should be a change of opinion, as this decision has the following problems.

First, this decision is contradictory to a Supreme Court precedent which decided that a person creating links to copyrighted material could be punished as the principal criminal, thus drawing conflict conclusions from substantially similar issues.

Second, this decision runs counter to the purpose of article 102, paragraph 1, subparagraph 4 of Jeojakgwon-beop [the Copyright Act]. This clause, which regulates requirements for immunity for online service providers, closely resembles paragraph d, article 512 of the U.S. Copyright Act²⁾, and presupposes online service providers to be burdened with indirect violation responsibility, i.e. responsibility of assistance, if they do not fulfill designated conditions.

Third, this decision only suggests a rough logic in excluding linking from subjects of punishment uniformly, without any effort to create a legal filter to restrain malicious and repetitive linking while at the same time protecting the freedom to exchange information.

Fourth, this decision overlooks the reality that any additional profit copyright holders earn can differ significantly depending various types of links, such as direct links or embedded links; it does not consider such differences in a legal appraisal.

2) 17 U.S.C. §512(d)

Fifth, it is repeating the main problem which appeared in previous precedents: it overlooks the fact that in the Korean Copyright Act, copyright is not a single right, but rather a group of 10 individual, independent rights. Copyright issues must be independently interpreted and appraised right by right; nonetheless, in this case the Supreme Court combined reproduction and transmission rights and handled them the same way, thus reaching the wrong conclusion.

Additionally, the stance expressed in this decision is contradictory to the American and Japanese stances which recognize that about linking, instead direct violation responsibility is not interrogated, at least indirect violation responsibility can be established, or even contradictory to European Union's stance that direct violation responsibility can also be established under fixed requirements.

To overcome the limits of this decision, I suggest a logic for punishment of copyright crimes as follows. Above all, considering copyright's nature of construction with 'a bundle of rights,' the right of reproduction and the right of transmission must be reviewed separately. According to the logic of Korean criminal law (which can be applied directly or with slight modifications in this case), there is a substantial difference in that 'reproduction' is an 'immediate crime' in which the crime is finished immediately with the act of uploading, while 'transmission' is a 'continuous crime' in that the crime is not finished if 'provision of usage' continues. Because of this difference, when it comes to rights of transmission, as long as the link still exists after the time of illegal uploading, establishment of the crime of aiding violation of copyright can be recognized.

III. Polarizing Film Case; Supreme Court Decision 2011Hu927 Decided January 22, 2015 (Objective of judgment in case of Product-by-Process Claim)

1. Facts

1) The plaintiff of this case is an individual who possesses a patented invention called 'Polyvinyl Alcohol Polymer Film and Polarizing Film.'

2) The defendant requested an invalidation trial of this patent by claiming that the plaintiff's patentable invention lacked an inventive step. the Industry Property Tribunal accepted the claim and decided to revoke the patent.

2) The plaintiff appealed and filed a revocation suit, and during the process of the lawsuit the plaintiff amended the 9th and 10th claims, which were patent claims, to the format of 'the object by manufacturing process' claims.

3) The Patent Court revoked the decision of the Industry Property Tribunal by reasoning that the 9th and 10th claims about the manufacturing process as well as the 6th and 7th claims about the process patent do not deny the invention's inventive step.

4) The Defendant appealed to the Supreme Court by claiming that the Appeals Court should not have considered the included manufacturing process when comparing the invention to the prior art to judge the inventive steps of the 9th and 10th claims of the patentable invention and conclusively interpreted that the invention do not conflict with the prior art.

2. Summary of Decision

1) Since Article 2 and 3 and the Patent Law divide invention among 'the invention of the object,' 'the invention of the method,' and 'the invention of the manufacturing process,' in cases where the claim is submitted as an object but at the same time includes submission of the manufacturing process (hereinafter referred to as 'the invention of an object with the written manufacturing process'), the invention falls into 'the invention of the object' category even if the manufacturing process is submitted, because the subject of the invention is the final outcome, or the object, not the manufacturing process. The manufacturing process stated in the claim of the invention of the object is significant only to specify the structure or the property of the object which is the outcome, because the claim on the invention of the object should describe the construction of the object which is the subject of the invention.

2) Therefore, when judging the requirements for a patent of 'the invention of an object with the written manufacturing process,' the court should not limit the technical structure only to the manufacturing structure

but also examine the object which has the properties as specified in all the descriptions in the claim, including the manufacturing process. It then should be compared to the prior art to check whether the invention has inventive steps, novelty, etc.

3) On the other hand, for a certain invention of the object in the fields of biological or chemical engineering regarding polymer, compound, or metal, for example, it might be difficult if not impossible to directly specify the structure or property of the object, and thus, the object is specified only by the manufacturing process. Even for 'the invention of an object with the written manufacturing process' in such circumstances, since the nature of the invention is 'the invention of the object,' and given that the manufacturing process stated on the claim is merely a means to specify that the object's structure and property do not change, the interpretation of the manufacturing process on the claim which is submitted separately from the invention of the object should be the same as 'the invention of an object with the written manufacturing process' without any such condition.

3. *Comments*

The purpose of patent claims is to clearly define the scope of the protection conferred by a patent. Therefore, for a product invention, the claim can be most effective when the structure or composition of the invention is described within. However, especially in the technical domain when it comes to complex high molecular compounds, there are some cases where describing the exact structure is difficult even when the utility of the invention and the manufacturing method are found. In such cases, it might be too demanding to ask for a claim to describe structure or composition. To solve this issue, in exceptional cases, courts in several countries have allowed inclusion of product-by-process claims (hereinafter called "PBP claims") in patent claims, which describe the product by the manufacturing steps instead of by the exact structure.

However, each court in each country has demonstrated differences in the application, and in South Korea, the court has maintained a similar stance to that of the Japanese court. That is, the Korean Supreme Court has differentiated between PBP claims which are necessary to define the product and PBP claims which are not necessary considering the specific

structure of the claimed product can be described without difficulty³⁾. In patentability analysis, in general cases the inventiveness of PBP claims has been determined based on the product claimed over the prior art without considering the process, whereas regarding necessary PBP claims the inventiveness has been determined based on the interpretation of the claim considering the manufacturing method as additional limitations. Under this approach, the latter's exceptional cases are less likely to be found not patentable, for they easily satisfy the novelty requirement.

The 2011Hu927 decision overruled previous Supreme Court decisions and altered the court's approach to evaluating PBP claims; until then, the Supreme Court had differentiated among some exceptional cases, but it now maintains that it is the product alone, and not the process, that is relevant to the patentability analysis, without exception.

Further, by another decision⁴⁾ which was rendered within a few weeks of this decision, the Supreme Court indicated that the same principles generally apply in determining the claim scope of PBP claims for infringement purposes. However, the Court added that there may be an exception in which case the claim wordings of the manufacturing method may be used as limitations to the scope of the PBP claim.

In truth, there was a fundamental flaw in the Supreme Court's stances of the past, which have treated some PBP claims differently in a patentability analysis. Unless there are exceptional circumstances where the product can only be defined by the process, the PBP claims obviously run counter to article 42(4) of Teukheobeop [Patent Act],⁵⁾ which requires each claim to clearly and concisely describe the invention. Therefore, that type of PBP claims should not be accepted through the patentability analysis; determining even those PBP claims in view of the claimed product without the process and granting a patent might be basically wrong. As in Japan, however, that article of the Patent Act has not been strictly applied in practice, so there are many patents granted upon PBP claims which unnecessarily describe the manufacturing methods.

Although more restrictive than genuine PBP, both Japan and Korea

3) See Supreme Court of Korea, 2004Hu3416, June 29, 2006.

4) Jaceosidin case; Supreme Court of Korea, 2013Hu1726, Feb. 12, 2015.

5) This article corresponds to the Claim Definiteness Requirement of 35 U.S.C. §112(b).

have acknowledged the registrability of non-genuine PBP after considering these issues of practicality. Both countries have also taken an eclectic approach by narrowly acknowledging the scope of a right when judging the infringement of a patent right.

However, this Supreme Court case provided an opportunity to thoroughly rectify a previous approach. After the above final ruling, the Supreme Court of Japan (See Supreme Court of Japan, 1204, June 5, 2015) set a precedent which established consistent standards, stating that non-genuine PBP claims should be nullified because those claims failed to fulfill necessary conditions requiring 'clarity as well as briefness.' On the other hand, as previously discussed, the Supreme Court of Korea noted that the scope of patent rights can be restricted under exceptional circumstances when judging infringement of the patent. This expatiation implies that the restriction of the scope of patent right does not necessarily accompany the nullification of non-genuine PBP claims, suggesting that the Supreme Court of Korea has adopted a more compromising position.