Republic of Korea
République de Corée
Republik Korea

Report Q204

in the name of the Korean Group
by Kwan–ho SHIN and Won SON

Liability for Contributory Infringement of IPRs

Referring the Working Guidelines, the Korea Group has studied the questions and has prepared the Group Report.

The expression "contributory infringement" refers to "indirect infringement" consisting in the offering or supply of means suitable for committing a direct infringement as defined in the working Guidelines for Q204.

Questions

I) Analysis of current legislation and case law

1) *Does your national law provide for liability for contributory infringement of IPRs, in respect of the offering or supply of means for working an invention, for enabling illicit commercial use of a trademark, for making a copyrighted or design protected product, etc.?*

Yes, Korea national laws provide for liability for contributory infringement of IPRs, in respect of the offering or supply of means for working an invention, for enabling illicit commercial use of a trademark, for making a copyrighted or design protected product.

2) *If so, is it a condition for such liability that the means supplied are actually used by another (the person supplied) for committing acts that amount to direct infringement of the IPR in the same country (or in another country where there is a corresponding IPR)? Are there any additional conditions that apply in such cases?*

No, it is not a condition for liability for contributory infringement that the means supplied are actually used by another (the person supplied) for committing acts that amounts to direct infringement of the IPR in Korea or in any other country.

3) *If it is not a condition for liability for contributory infringement that the means supplied are actually used by another (the person supplied) for committing acts that amount to direct infringement in the same country (or in another country where there is a corresponding IPR), is it then, on the other hand, a condition for such liability, for example*

– *that the means offered and/or supplied were suitable to be put into an infringing use;*

Yes, generally speaking the means offered and/or supplied were suitable to be put into an infringe use.

However, according to the Korean patent law, utility model law and design law, to satisfy the requirements for proving contributory infringement of patent, utility model registrations and design registrations, the word "suitable" should be understood very

strictly. That is, the means offered and/or supplied has to be suitable enough to have exclusive use which has no other use than the patented article concerned.

– *that the means relate to an essential, valuable or central element in the invention or product or service that constitutes direct infringement;*

  Yes, the means should relate to an essential, valuable or central element of the patented (or design registered) article.

– *that the means offered and/or supplied were actually intended for such use on the part of the person supplied;*

– *that the means offered and/or supplied were intended to be put to that use in the country in which they were offered or supplied;*

  In the case of patent, utility model registration and design registration, liability for contributory infringement does not require any intent for use. However trademark law requires intent to affix the branded labels to non-authentic goods on the part of the person supplied to prove liability for contributory infringement and the country to use is not considered.

– *that, at the time of offering and/or supply of the means, the suitability and intended use were known to the supplier or were obvious under the circumstances; or*

  The knowledge to the supplier or obviousness under the circumstances is not required condition for liability for contributor infringement.

– *that, to the extent the means are staple commercial products, the supplier induces the person supplied to infringe directly?*

  Staple commercial products do not, in any event, constitute contributory infringement under the Korean laws protecting IPR.

  Thus it is not a condition for liability for contributory infringement even when the supplier actively induces the person supplied with staple commercial products to infringe directly.

Are there other conditions? Please respond separately for patents, trademarks, designs, copyright etc., if the rules differ from each area of IPR to the other.

Referring to the above-described answer to each question, the condition for liability for contributory infringement of IPRs in Korea could be explained as below.

The conditions for liability for contributory infringement differ from each area of IPR to the other.

Among IPR laws in Korea, patent law, utility model law and design law requires substantially same conditions for liability for contributory infringement in that those laws require an objective condition that offered and/or supplied were exclusively suitable to be put into an infringe use which have no other use than the patented article concerned and do not require any subjective condition such as a showing of the third party's intent, knowledge with respect to the direct infringement and actual commitment of direct infringement.

The means offered and/or supplied are article(s) to be used exclusively for producing the patented product in the case of an invention of a product or article(s) to be used exclusively for working the patented process in the case of an invention of process.
The means are considered to be essential, valuable or central elements of the products.

The trademark law differs on the conditions for such liability from the above three laws in that it requires an intent for use on the part of the person supplied.

According to the Korea trademark law, the acts of delivering, selling, counterfeiting, imitating or possessing a trademark identical, similar to the registered trademark of another person for the purposes of using or causing a third party to use such trademark on goods identical, or similar to the designated goods may constitute contributory infringement of trademark.

And the Korean copyright law also provides for liability for contributory infringement of copyright enumerating acts for contributory infringement, which are doubtingly believed to be within the category of "the contributory infringement" as defined in the working guidelines.

According to the Korea copyright law, the act of offering or supply of means for incapacitating the technological protection measures of copyright to be protected is regarded as an act of infringing the copyright concerned.

Besides of the acts provided in the copyright act, nonperformance of an obligation of OSP (Online Service Provider) may be a condition for liability for contributory infringement of copyright even if the rules there for is not set out in the copy right law and instead it follows follies generally applicable principle of tort law.

The liability for contributory infringement of copyright on the OSP will be further discussed.

With the recent dramatic development of internet, copyright infringements allegedly committed by internet users have taken public attentions and thus the obligation of an Online Service Provider (OSP) has become more important for the protection of copyright. That is, if there is a copyright infringement committed by internet users, the OSP concerned has an obligation to stop copying and transmission of concerned programs to the internet users. Furthermore, the OSP does also become endowed with an obligation regarding technological protection measures to cut off the illegal transmission of copyright works. Therefore, if the OSP does not keep the obligations, the OSP shall charge with the responsibility for the contribution of the copyright infringement committed by internet users.

The obligations of OSP regarding technological protection measure are provided in the Korea copyright act.

However the liability of OSP is not regulated by the Korea copyright act and it follows the general tort law principle.

4) *Are the rules concerning contributory infringement set out in the laws protecting IPR?*

Yes, the rules concerning contributory infringement are set out in the law protecting IPR including patent act, utility model act, design act, trademark act and copyright act.

5) *If such protection is not set out in the laws protecting IPR, does it follow from generally applicable principles of e.g. tort law?*

Not applicable.

6) *What are the legal consequences of holding an act to be a contributory infringement of an IPR, in particular:*

– *can the IPR owner obtain injunctive relief to the same extent as in case of direct infringement?*

Yes, the IPR owner can obtain injunctive relief to the same extent as in the case of direct infringement.

– *can the IPR owner obtain damages and other compensation to the same extent as in case of direct infringement, or only relative to the contributory infringer's contribution?*

Yes, the IPR owner can obtain damage and other compensation to the same extent as in the case of direct infringement.

II) Proposals for substantive harmonisation

7) Should measures generally be available against acts that qualify as contributory infringement of IPRs, as defined in these Working Guidelines?

Yes, the Korea Group considers that measures should generally be available against acts that qualify as contributory infringement of IPRs because there are circumstances where it is impractical for the owners of intellectual property to enforce their right against direct infringers and the owner have to seek remedies against other person who are responsible for indirect infringement of their intellectual property rights.

8) If so, what should be the conditions for holding an act to be a contributory infringement of an IPR?

In the opinion of the Korea group, there are three main elements to contributory infringement that is, the objective requirements on subject (means offered and/or supplied) such as suitability to be put into an infringe use, the subjective requirements on actor (contributory infringer) such as the intention or knowledge with respect to the direct infringement and whether the possible direct infringement need to take place within the jurisdiction.

The Korea Group considers that the conditions for holding an act to be a contributory infringement of an IPR shall be a proper combination of those three elements and the combination should consider a balance between the public interest and the need to protect IPRs to promote creativity.

Additionally considering the relation between the recent development of computer-relating invention and contributory infringement, the subject (means offered and/or supplied) should be properly defined to include immaterial being such as computer program as well as material things such as parts, device and materials.

9) Should the conditions be different for different kinds of IPRs? Why?

General conditions for liability for contributory infringement could be same for different kinds of IPRs as the laws of contributory infringement of IPRs is derived from tort law principle.

However the particular conditions shall vary between industrial property group including patent, utility model and design, trademark group and copyright group because those three groups have different object for protection and different features of infringement.

In conclusion, the Korea group considers that different rules should apply to different kinds of IPRs, particularly in the definition of act constituting contributory infringement.

10) What should be the legal consequences of holding an act to amount to contributory infringement of an IPR, in particular?

- *Should the IPR owner be able to obtain injunctive relief to the same extent as in case of direct infringement?*
- *Should the IPR owner be able to obtain damages and other compensation to the same extent as in case of direct infringement, or only relative to the contributory infringer's contribution?*

Basically the Korea group considers that the IPR owner should be able to obtain all kinds of relief to the same extent as in the case of direct infringement.

However the Korea group also considers that the IPR owner should be able to obtain damages and other compensation only to the extent of contribution or should not be able to obtain it in the case that a direct infringement has not occurred.

11) Should the legal consequences be different for different kinds of IPR? Why?

The Korea group considers that there is not any reason that the legal consequences should be different for different kind of IPRs.

The kinds of relief available could be same for different kinds of IPR and the implementation of these measures will be different depending on the facts of each case.

12) Does your Group have any other views or proposals for harmonisation in this area?

Act of infringement and remedies for infringement are key words for IPR law system and contributory infringement is one type of infringements.
Thus in the light of importance, great care should be taken for the harmonization.

As to the harmonization across different types of IPRs, the Korea group considers that different rules should apply to different types of IPRs; conclusively the Korea group is not convinced of the necessity of harmonization.

And as to the international harmonization for certain IPR, the Korea group considers it would be necessary to the extent that the harmonization would not be in conflict with principles of territoriality. Specifically the general conditions for liability for contributory infringement could be harmonized, however the legal consequences shall not be harmonized.

In conclusion, the Korea group considers that it will be necessary to have further study before discussing international harmonization.

Summary

1) The Korean laws protecting IPRs provide for liability for the contributory infringement consisting in the offering or supply of means suitable for committing a direct infringement as defined in the working Guidelines for Q204.

2) According to the Korean IPR laws including patent law, utility model law and design law, liability for contributory infringement requires an objective condition that the means offered and/or supplied were exclusively suitable to be put into an infringe use which have no other use than the patented article concerned.

   Liability for contributory infringement does not require any subjective condition such as a showing of the third party's intent, knowledge with respect to the direct infringement.

   Furthermore it is not a condition for liability for contributory infringement whether or not an act of direct infringement is actually committed.

3) Against contributory infringer(s), the IPR owner can seek civil remedies including injunctive relief compensation for damage and return of profits probably to the same extent of direct infringement as the Korean IPR laws do not distinguish direct infringement from indirect infringement (including contributory infringement) in remedies for infringement.

4) The Korean trademark law and copyright law also provides for liability for contributory infringement.

   However the particular requirements for contributory infringement vary between patent, copy right and trademark law.

5) The Korea group considers general measures should be available against contributory infringement as defined in the working guidelines.

6) The conditions should be different for different kinds of IPR.

7) The legal consequences might be same for different kinds IPR.

8) The Korea group considers that harmonization across IPR would not necessary and international harmonization for certain IPR would be necessary to the extent that the harmonization would not be in conflict with principles of territoriality.