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ONLINE DIGITAL CONTENT INDUSTRY DEVELOPMENT ACT

[Enforcement Date 20. May, 2014.] [Act No.12591, 20. May, 2014., Amendment by Other Act]

문화체육관광부 (문화산업정책과)044-203-2419

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CHAPTER I GENERAL PROVISIONS

Article 1 (Purpose)

The purpose of this Act is to prescribe matters necessary for promoting content industry, thereby contributing to improvement of people's lives and to the sound development of national economy through the establishment of foundation for content industry and the reinforcement of its competitiveness.

Article 2 (Definitions) (1) The definitions of terms used in this Act shall be as follows:

1. The term "content" means data or information expressed in sign, text, graphic, color, voice, sound, image, video, etc. (including compounds thereof);
2. The term "content industry" means any industry related to the production, distribution, use, etc. of contents creating economic added value or services providing such contents (including compounds thereof);
3. The term "content production" means producing contents through creation, planning, development, production, etc. including conversion of such contents into digital format or processing such contents electronically;
4. The term "content producer" means a person who plans the whole process of the production of contents and takes responsibility therefor (including a person who lawfully takes over the status of a content producer);
5. The term "content business operator" means a person carrying on economic activities related to the production, distribution, etc. of contents;
6. The term "user" means a person using contents provided by content business operators;
7. The term "technological protection measures" means technologies or devices applied to contents to effectively prevent infringements on the interests of content producers.

(2) In addition to the definitions prescribed in paragraph (1), the definition of the terms used in this Act shall be as prescribed by the Copyright Act. In such cases, "works" shall be construed as "contents."

Article 3 (Basic Ideas)

The Government shall promote policies related to contents according to the following basic ideas:<Amended by Act No. 10629, May 19, 2011>

1. That the creativity of content producers shall be fully displayed and content-related intellectual property rights shall be protected domestically and internationally;
2. That the people's quality of life shall be improved and welfare thereof shall be promoted by allowing users to enjoy extensive culture through the smooth distribution of contents;
3. That the incessant development of content industry shall become possible through the reinforcement of international competitiveness by creating diverse content-related businesses and by making them effective and advanced.

Article 4 (Relationship with other Acts) (1) With regard to promotion of content industry, this Act shall take precedence over the Framework Act on the Promotion of Cultural Industries.
(2) Where content producers are protected by the Copyright Act, such Act shall take precedence over this Act

Article 5 (Master Plans) (1) The Government shall formulate a mid-term and long-term master plan (hereinafter referred to as "master plan") on the development of content industry every three years in order to establish foundation for content industry and to reinforce its competitiveness.

(2) Every master plan shall be finalized after deliberation by the Content Industry Promotion Committee under Article 7.

(3) The master plan shall contain the following matters:

1. Basic direction-setting for policies for the promotion of content industry;
2. Matters concerning the establishment of foundation for content industry;
3. Matters concerning promotion policies by each sector of content industry;
4. Matters concerning the standardization of contents;
5. Matters concerning the creation of an environment for fair competition in the content industry;
6. Matters concerning the protection of users' rights and interests;
7. Matters concerning policies on contents following the advancement of fusion of content-related industries;
8. Matters concerning the securing and distribution of financial resources for the promotion of content industry;

9. Matters concerning institutional improvement for the promotion of content industry;
 10. Matters concerning the assignment of the roles of central administrative agencies related to content industry;
 11. Other necessary matters concerning promotion of content industry.
- (4) Matters necessary for the establishment and implementation, etc. of a master plan shall be prescribed by Presidential Decree.

Article 6 (Implementation Plans) (1) The head of a central administrative agency related to content industry shall, every year, formulate an implementation plan (hereinafter referred to as "implementation plan") in accordance with the master plan for the promotion of content industry under his/her jurisdiction.

(2) Every implementation plan shall be finalized after deliberation by the Content Industry Promotion Committee under Article 7.

(3) The Minister of Culture, Sports and Tourism shall put together implementation plans formulated by the heads of central administrative agencies related to content industry and submit them to the Content Industry Promotion Committee.

(4) Necessary matters concerning the formulation, promotion, etc. of implementation plans shall be prescribed by Presidential Decree.

Article 7 (Content Industry Promotion Committee) (1) The Government shall establish the Content Industry Promotion Committee (hereinafter referred to as the "Committee") under the authority of the Prime Minister in order to deliberate on the following matters concerning the promotion of content industry:

1. Matters concerning the formulation and promotion of a master plan and implementation plans;
2. Matters concerning the general management and coordination of policies on the promotion of content industry;
3. Development of and advice on policies on the promotion of content industry;
4. Matters concerning the specialization of content industry by area;
5. Matters concerning the coordination of overlapping regulations;
6. Other matters recognized by the Chairperson as necessary for the promotion of content industry.

(2) The Committee shall consist of up to 20 members including one Chairperson.

(3) The Prime Minister shall become the Chairperson of the Committee and the following persons shall become its members:<Amended by Act No. 11690, Mar. 23, 2013>

1. The Minister of Strategy and Finance, the Minister of Science, ICT and Future Planning, the Minister of Education, the Minister of National Defense, the Minister of Security and Public Administration, the Minister of Culture, Sports and Tourism, the Minister of Trade, Industry and Energy, the Minister of Health and Welfare, the Minister of Employment and Labor, the Minister of Land, Infrastructure and Transport, the Chairperson of the Korea Communications Commission, and the Chairperson of the Fair Trade Commission;
2. Persons entrusted by the Chairperson from among persons who have sufficient expert knowledge and experience in content industry.

(4) The term of office of the members under paragraph (3) 2 shall be three years and they may be re-entrusted only once.

(5) The Committee shall have one executive secretary, and the post shall be filled by the Minister of Culture, Sports and Tourism.

(6) Except matters expressly provided for in paragraphs (1) through (5), other necessary matters concerning the composition and operation of the Committee shall be prescribed by Presidential Decree.

Article 8 (Securing Financial Resources) (1) The Government shall endeavor to raise financial resources necessary for developing content industry.

(2) The Government may support the promotion of business prescribed in this Act with the fund for promotion of information and communications prescribed in Article 41 of the Information and Communications Technology Industry Promotion Act, etc.

CHAPTER II REVITALIZATION OF CONTENT PRODUCTION

Article 9 (Revitalization of Content Production) (1) The Government shall create an environment in which contents of diverse fields and diverse shapes can be created, distributed, and used, and shall prepare measures to enhance the creativity of content producers and to strengthen their creativity.

(2) The Government shall prepare necessary measures by which funds needed by content producers for the production of contents can be raised smoothly and stably.

(3) The heads of relevant central administrative agencies shall reflect in the implementation plans for revitalizing content production by field and by shape prepared pursuant to paragraphs (1) and (2), as prescribed by Presidential Decree.

Article 10 (Protection of Intellectual Property Rights) (1) The Government shall devise policies to protect the intellectual property rights of contents as it properly copes with the diversification of methods of using contents following changes in the social and economic environment. <Amended by Act No. 10629, May 19, 2011>

(2) The Government shall devise policies to render support to content producers so that they may develop technological protection measures for contents protected by this Act.

(3) Content producers shall take necessary measures not to infringe on other persons' intellectual property rights.<Amended by Act No. 10629, May 19, 2011>

[Title Amended by Act No. 10629, May 19, 2011]

Article 11 (Revitalization of Use of Public Information) (1) Where the State, a local government, or the head of a public institution prescribed by Presidential Decree (hereinafter referred to as "head of public institution") discloses information (hereinafter referred to as "public information") except the information subject to non-disclosure prescribed in Article 9 of the Official Information Disclosure Act, among information possessed and managed by the public institutions, he/she may allow content business operators to use the information in content production, etc.

(2) In order to revitalize the use of public information, the heads of public institutions shall determine the conditions, methods, etc. of use of public information, as prescribed by Presidential Decree.

Article 12 (Revitalization of Fusion of Contents)

For the research and development of content technologies following the advancement of fusion between content industry and other industries and the facilitation of development of diverse contents, the Government shall formulate and implement necessary policies.

CHAPTER III ESTABLISHMENT OF FOUNDATION FOR CONTENT INDUSTRY

Article 13 (Revitalization of Establishment of Businesses) (1) The Government shall formulate and implement a support plan for establishing businesses for the facilitation of

establishment of businesses in the field of content industry and for the growth and development of establishers.

(2) The Government may provide necessary support, such as making investment in accordance with the support plan for establishing businesses prescribed in paragraph (1).

Article 14 (Fostering of Specialists) (1) The Government shall endeavor to foster specialists necessary for the promotion of content industry.

(2) In order to foster specialists in contents, the Government may designate schools prescribed in Article 2 of the Higher Education Act, distance college-type lifelong educational establishments established pursuant to Article 33 (3) of the Lifelong Education Act, the Korea Creative Content Agency under Article 31 of the Framework Act on the Promotion of Cultural Industries, etc. as institutes fostering specialists and require them to conduct education and training, and support necessary budget.

(3) Necessary matters concerning the designation of institutes fostering specialists under paragraph (2) shall be prescribed by Presidential Decree.

Article 15 (Facilitation of Technological Development) (1) The Government shall promote the following projects in order to facilitate the development of technologies related to content industry:

1. Matters concerning the inspection of technological levels, and research and development of technologies;
2. Evaluation of developed technologies;
3. Commercialization of developed technologies, such as technological cooperation, technology transfer, etc.;
4. Smooth distribution of information on technologies;
5. Other projects necessary for technological development.

(2) Where necessary for the efficient promotion of technological development under paragraph (1), the Government may entrust relevant research institutions or private organizations with the projects under the subparagraphs of paragraph (1).

(3) The scope of projects entrusted pursuant to paragraph (2), methods and procedures for selecting institutions to be entrusted with projects shall be prescribed by Presidential Decree.

Article 16 (Promotion of Standardization) (1) For the efficient content production, improvement of quality of contents, securing of compatibility among contents, etc., the Minister of Culture, Sports and Tourism may promote the following projects after consultation with the heads of relevant central administrative agencies, and may recommend the standards so established to relevant business operators after publicly notifying them. In such cases, he/she shall consult with the Minister of Science, ICT and Future Planning on matters related to the digitalization of contents: <Amended by Act No. 11690, Mar. 23, 2013>

1. Establishment, amendment, repeal, and dissemination of standards for contents;
2. Inspection, research, and development of domestic and foreign standards for contents;
3. Other projects necessary for standardizing contents.

(2) Pursuant to Presidential Decree, the Minister of Culture, Sports and Tourism may entrust the Korea Creative Content Agency under Article 31 of the Framework Act on the Promotion of Cultural Industries, or institutions or organizations related to contents with the projects under the subparagraphs of paragraph (1).

Article 17 (Support for International Cooperation and Overseas Expansion) (1) The Government may promote the following projects to facilitate international cooperation and overseas expansion:

1. Support for overseas marketing of contents and publicity thereof;
2. Attraction of foreign investment;
3. Participation in international awards ceremonies, sample fairs, exhibitions, trial performances, etc. and attraction to Korea;
4. Construction of cooperative systems related to the export of contents;
5. Support for localization of contents in foreign countries;
6. Support for joint content production in foreign countries;
7. Technological cooperation and exchange of personnel in Korea and abroad;
8. International standardization concerning contents;
9. Other projects necessary for international cooperation and overseas expansion.

(2) Pursuant to Presidential Decree, the Government may entrust the Korea Creative Content Agency prescribed in Article 31 of the Framework Act on the Promotion of Cultural Industries, or institutions or organizations related to contents with the projects under the subparagraphs of paragraph (1). <Amended by Act No. 11690, Mar. 23, 2013>

Article 18 (Support with Taxation, etc.) (1) The Government may take necessary measures necessary for promoting content industry, such as tax reduction or exemption, etc., as prescribed by the Restriction of Special Taxation Act, the Local Tax Act, or other related tax laws.

(2) The Government may render financial support or other necessary support for the development of content industry, as prescribed by Presidential Decree.

Article 19 (Special Support for Small and Medium Content Business Operators)

Where the Government formulates policies necessary for the promotion of content industry, it shall render special administrative and financial support to small and medium content business operators so that their business may be carried on smoothly.

Article 20 (Establishment of Association) (1) In order to plan the sound development of business on contents and the joint interest of content business operators, content business operators may establish an association with the authorization of the Minister of Culture, Sports and Tourism.

(2) The association prescribed in paragraph (1) shall be a juristic person.

(3) The association established pursuant to paragraph (1) shall endeavor to maintain sound order in content production and distribution.

CHAPTER III-2 KOREA CONTENTS FINANCIAL COOPERATIVE

Article 20-2 (Establishment of Korea Contents Financial Cooperative) (1) In order to plan mutual cooperation and autonomous economic activities and to soundly develop content industry, content business operators may establish the Korea Contents Financial Cooperative (hereinafter referred to as the "Financial Cooperative") that lends various funds, stands surety, etc. with authorization from the Minister of Culture, Sports and Tourism.

(2) The Financial Cooperative shall be a juristic person.

(3) Necessary matters concerning the procedures of authorization for establishment of the Financial Cooperative, matters to be stated in the articles of incorporation, operation, supervision, etc. shall be prescribed by Presidential Decree.

(4) Registration of changes in the total investment may be made within three months from the end of a fiscal year based on the state as at the end of each fiscal year,

notwithstanding Article 52 of the Civil Act.

(5) In addition to those prescribed by this Act, provisions related to incorporated associations in the Civil Act shall apply mutatis mutandis to the Financial Cooperative.

[This Article Newly Inserted by Act No. 11318, Feb. 17, 2012]

Article 20-3 (Business of the Financial Cooperative) (1) The Financial Cooperative shall perform the following business:

1. Lending funds necessary for the development of contents, increase of added value, and stabilization of management, and making investment therein;
2. Where funds necessary for the development of contents, increase of added value and stabilization of management are to be borrowed from financial institutions, standing security for the debt;
3. Guaranteeing performance necessary for the performance of obligations according to content business;
4. Business concerning research and education for the improvement of management of content business;
5. Business for installing and operating facilities jointly used by members, provision of services, and support for management;
6. Business entrusted by the State, local governments, or public organizations specified by the articles of association;
7. Business appurtenant to the business prescribed in subparagraphs 1 through 6, which are specified by the articles of association;
8. Other business prescribed by Presidential Decree.

(2) The Financial Cooperative may carry on profit-making business specified by the articles of association insofar as it is necessary to attain its purpose of incorporation.

[This Article Newly Inserted by Act No. 11318, Feb. 17, 2012]

Article 20-4 (Creation of Basic Property) (1) The basic property of the Financial Cooperative shall be created from the following financial resources in order to efficiently operate mutual aid business, and the Government may give contributions or pay subsidies to the Financial Cooperative within its budgetary limits:

1. Investments, installment payments, deposits, or contributions paid by members;
2. Other financial resources prescribed by Presidential Decree.

(2) Contributions prescribed in paragraph (1) among basic property shall be recorded in the account book as capital.

[This Article Newly Inserted by Act No. 11318, Feb. 17, 2012]

Article 20-5 (Mutual Aid Provisions) (1) Where the Financial Cooperative intends to carry on mutual aid business under Article 20-3, it shall specify mutual aid provisions.

(2) The mutual aid provisions under paragraph (1) shall stipulate the kinds, objects, installment payments, reserve funds, accumulated money, etc. of mutual aid business, and necessary matters concerning the creation, operation, etc. of basic property.

(3) The Financial Cooperative shall obtain approval from the Minister of Culture, Sports and Tourism for the kinds and objects of mutual aid business among matters stipulated by mutual aid provisions pursuant to paragraph (2) and for other matters prescribed by Presidential Decree. The same shall apply to the modification of approved matters.

[This Article Newly Inserted by Act No. 11318, Feb. 17, 2012]

Article 20-6 (Accumulation, etc. of Loss Compensation Reserve Funds) (1) In order to compensate for loss from mutual aid business, the Financial Cooperative may require the users of mutual aid to bear loss compensation reserve funds (hereinafter referred to as "reserve funds") and to operate the reserve funds after accumulating the reserve funds in a separate account.

(2) Necessary matters concerning the accumulation and operation of reserve funds shall be prescribed by Presidential Decree.

[This Article Newly Inserted by Act No. 11318, Feb. 17, 2012]

Article 20-7 (Responsibilities of the Financial Cooperative) (1) Where a ground arises to pay a guarantee in relation to guaranteed matters as prescribed by Acts, subordinate statutes, contract, etc., the Financial Cooperative shall pay the guarantee to the guarantee creditor.

(2) A right to a guarantee that a guarantee creditor has over the Financial Cooperative shall lapse due to the completion of prescription if it is not exercised within two years from the expiration of the guarantee period.

[This Article Newly Inserted by Act No. 11318, Feb. 17, 2012]

Article 20-8 (Transfer, etc. of Equity Stake) (1) A person who is or was a member may transfer his/her equity stake to another member or a person who intends to be a member, as

prescribed by Presidential Decree.

(2) A person who receives an equity stake pursuant to paragraph (1) shall succeed to the rights and obligations of the transferor.

(3) The transfer of an equity stake and the establishment of a right of pledge shall be according to the method of transferring an equity stake and establishing a right of pledge prescribed by the Commercial Act.<Amended by Act No. 12591, May 20, 2014>

(4) The equity stake shall not be used as a purpose of security except for cases where it serves as a purpose of security for debt obligations.

(5) Seizure or provisional seizure of an equity stake effected according to civil execution proceedings or the procedures for disposition on default of national taxes, etc. shall be pursuant to the methods of seizure or provisional seizure prescribed by the Civil Execution Act.

[This Article Newly Inserted by Act No. 11318, Feb. 17, 2012]

- Article 20-9 (Acquisition, etc. of Equity Stake in Financial Cooperative)** (1) The Financial Cooperative may acquire the equity stake of a person who is or was a member only where any of the following is applicable: Provided, That where subparagraph 1 or 3 is applicable, it shall acquire the equity stake:
1. Where the Financial Cooperative intends to decrease its capital;
 2. Where deemed necessary for the Financial Cooperative to exercise its right of security over a member as a holder of a right;
 3. Where a member or a person who was expelled or withdrew from membership requests the Financial Cooperative to acquire his/her equity stake in order to retrieve investment.
- (2) Where the Financial Cooperative acquires an equity stake pursuant to paragraph (1), it shall take the following measures without delay:
1. Procedures of decreasing capital if the equity stake is acquired for a reason under paragraph (1) 1;
 2. Sale of the equity stake to another member or a person who intends to be a member if the equity stake is acquired for a reason under paragraph (1) 2 and 3.
- (3) The acquisition price of an equity stake when the Financial Cooperative acquires the equity stake pursuant to paragraph (1) shall not exceed the face value of the investment certificate.

[This Article Newly Inserted by Act No. 11318, Feb. 17, 2012]

Article 20-10 (Appointment of Agent)

The Financial Cooperative may appoint an agent among its executives or employees who shall be entitled to perform judicial acts or out-of-court acts concerning the duties of the Financial Cooperative.

[This Article Newly Inserted by Act No. 11318, Feb. 17, 2012]

Article 20-11 (Liability for Damages, etc.) (1) Where an executive of the Financial Cooperative causes a damage to the Financial Cooperative as he/she violates Acts, subordinate statutes, or articles of incorporation or he/she is negligent in his/her duties, he/she shall be jointly and severally liable to pay the damage to the Financial Cooperative.

(2) Where a person engaged in the duties of the Financial Cooperative causes a damage to the Financial Cooperative in handling his/her duties, he/she shall be liable to pay the damage only where he/she has an intention or grievous fault: Provided, That his/her liability may be relieved except where he/she causes a damage deliberately.

[This Article Newly Inserted by Act No. 11318, Feb. 17, 2012]

Article 20-12 (Handling of Profits)

The Financial Cooperative shall handle profits for each business year according to the following order of priority:

1. Setoff of loss brought forward;
2. Accumulation of reserve funds.

[This Article Newly Inserted by Act No. 11318, Feb. 17, 2012]

CHAPTER IV RATIONALIZATION OF DISTRIBUTION OF CONTENTS

Article 21 (Promotion of Projects of Certification of Transactions of Contents) (1) In order to secure transparency, impartiality and efficiency in the transactions of contents distributed online and to facilitate the distribution of excellent contents, the Government may keep data on the fact of transactions of contents and implement a project of certifying the transactions of contents that confirms and verifies the fact of transactions. <Amended by Act No. 11690, Mar. 23, 2013>

(2) The Minister of Science, ICT and Future Planning may designate an institution implementing the project of certifying the fact of transactions of contents (hereinafter referred to as "certifying institution") from among corporations having specialists, financial capabilities, facilities, equipment, and other necessary requirements after consultation with the Minister of Culture, Sports and Tourism; where he/she designates a certifying institution, he/she shall publicly notify such fact.<Amended by Act No. 11690, Mar. 23, 2013>

(3) A certifying institution shall prepare certification rules including the following matters before beginning to implement certifying duties and make a report to the Minister of Science, ICT and Future Planning. In such cases, the Minister of Science, ICT and Future Planning shall notify the Minister of Culture, Sports and Tourism of the details of the report:<Amended by Act No. 11690, Mar. 23, 2013>

1. Kinds of certifying duties;
2. Methods and procedures of performing certifying duties;
3. Conditions of use of certifying duties and fees;
4. Other necessary matters concerning the performance of certifying duties, which are prescribed by Ordinance of the Ministry of Science, ICT and Future Planning.

(4) Where any of the following is applicable to a certifying institution, the Minister of Science, ICT and Future Planning may revoke the designation or order it to suspend duties for a specified period not exceeding six months after consultation with the Minister of Culture, Sports and Tourism: Provided, That where subparagraph 1 is applicable, he/she shall revoke the designation:<Amended by Act No. 11690, Mar. 23, 2013>

1. Where it obtains designation of certifying institution by deceit or other fraudulent methods;
2. Where it fails to perform certifying duties for one year or more without justifiable grounds;
3. Where it fails to meet the requirements for designation under paragraph (2);
4. Where it performs certifying duties, in violation of the certification rules under paragraph (3).

(5) Where necessary for the promotion of duties of certifying the fact of transactions of contents, the Government may render administrative and financial support to content business operators, certifying institutions, etc.<Amended by Act No. 11690, Mar. 23, 2013>

(6) Where a certifying institution performs the projects of certifying the fact of transactions of contents, it shall not provide or divulge information on the transactions of content business operators and personal information of users to other persons, or use them for a purpose other than the relevant purpose.

(7) Necessary matters concerning the promotion of projects of certifying the fact of transactions of contents in addition to the matters prescribed in paragraphs (1) through (6) shall be prescribed by Presidential Decree.

Article 22 (Certification of Quality of Content Provision Services) (1) In order to facilitate the distribution of contents, the Government may perform the projects of certifying the service of content business operators, etc. (hereinafter referred to as "content provision service") that provides contents in a way by which users can conveniently purchase and use contents in accordance with the operational standards prescribed by Presidential Decree.

[<Amended by Act No. 11690, Mar. 23, 2013>](#)

(2) The Minister of Science, ICT and Future Planning may designate an institution that certifies the quality of content provision service (hereinafter referred to as "content provision service quality certification institution") after consultation with the Minister of Culture, Sports and Tourism in order to implement the projects under paragraph (1) more efficiently. Necessary matters concerning the standards, procedures, etc. for the designation of content provision service quality certification institutions shall be prescribed by Presidential Decree. [<Amended by Act No. 11690, Mar. 23, 2013>](#)

(3) Where any of the following is applicable to a content provision service quality certification institution, the Minister of Science, ICT and Future Planning may revoke the designation or order it to suspend duties for a specified period not exceeding six months after consultation with the Minister of Culture, Sports and Tourism: Provided, That where subparagraph 1 is applicable, he/she shall revoke the designation: [<Amended by Act No. 11690, Mar. 23, 2013>](#)

1. Where it obtains designation of content provision service quality certification institution by deceit or other fraudulent methods;
2. Where it fails to perform the quality certification duties of content provision service consecutively for one year or more without justifiable reasons;
3. Where it performs the quality certification duties of content provision service in violation of the operational standards for quality certification projects of content provision service

under paragraph (1);

4. Where it fails to meet the standards for designation prescribed in paragraph (2).

(4) The Government may render administrative and financial support necessary for the promotion of projects to content provision service quality certification institutions, within its budgetary limits. <Amended by Act No. 11690, Mar. 23, 2013>

(5) Necessary matters concerning the promotion of quality certification projects of content provision service, such as the objects of quality certification and standards therefor, operational standards for quality certification projects, etc. in addition to the matters prescribed in paragraphs (1) through (4) shall be prescribed by Presidential Decree.

Article 23 (System of Identifying Contents) (1) For the advancement, etc. of legal relationship, distribution, and use of contents, the Government shall formulate and implement policies on the system of identifying contents (hereinafter referred to as "identification system").

(2) In order to establish and disseminate identification systems, the Minister of Culture, Sports and Tourism shall promote the following projects:

1. Research and development of identification systems;
2. Standardization of identification systems;
3. Use, dissemination and spread of identification systems;
4. Registration, certification, evaluation and management of identification systems;
5. Cooperation for the international standardization of identification systems;
6. Other projects necessary for utilizing identification systems.

(3) The Minister of Culture, Sports and Tourism may entrust the Korea Content Agency under Article 31 of the Framework Act on the Promotion of Cultural Industries or institutions or organizations related to contents with projects on the establishment and spread of identification systems, as prescribed by Presidential Decree.

Article 24 (Creation, etc. of Impartial Distribution Environment) (1) A person prescribed by Presidential Decree from among business operators carrying on common telecommunications businesses under Article 5 (2) of the Telecommunications Business Act (hereinafter referred to as "information and communications network business operator") shall not refuse to provide relay facilities, such as information and communications networks, etc., to content business operators without justifiable grounds. <Amended by Act No. 11318, Feb. 17, 2012>

(2) Information and communications network business operators, persons prescribed by Presidential Decree from among the business operators carrying on the value-added telecommunications business under Article 5 (4) of the Telecommunications Business Act and persons who carry on the production, sale, distribution, etc. of content products shall not compel unfair contracts using their position, such as requesting unilateral transfer of intellectual property rights to contents without reasonable grounds, etc., or obtain unfair profits. <Amended by Act No. 10629, May 19, 2011; Act No. 11318, Feb. 17, 2012>

(3) Where the Minister of Science, ICT and Future Planning or the Minister of Culture, Sports and Tourism deems that a person that engages in the production, sale, distribution, etc. of content products violates paragraph (1) or (2), he/she may request the heads of relevant agencies to take necessary measures. <Amended by Act No. 11690, Mar. 23, 2013>

(4) In order to create a fair distribution environment, the Government may perform the following projects: <Amended by Act No. 11318, Feb. 17, 2012; Act No. 11690, Mar. 23, 2013>

1. Analysis and evaluation of present situation of distribution environment of content industry;
2. Composition and operation of a consultative body in which business operators, etc. related to content industry participate;
3. Inspection of actual condition concerning the use of standard contract under Article 25;
4. Other projects necessary for the creation of fair distribution environment.

Article 25 (Standard Contract) (1) For the reasonable distribution and fair transaction of contents, the Minister of Culture, Sports and Tourism shall prepare a standard contract after consultation with the Fair Trade Commission, the Korea Communications Commission and the Ministry of Science, ICT and Future Planning, and recommend content business operators to use it. <Amended by Act No. 11690, Mar. 23, 2013>

(2) The Minister of Culture, Sports and Tourism may entrust the Korea Content Agency under Article 31 of the Framework Act on the Promotion of Cultural Industries, institutions or organizations related to contents or the Association under Article 20 with the duties concerning standard contract under paragraph (1), as prescribed by Presidential Decree.

CHAPTER V PROTECTION OF RIGHTS AND INTERESTS OF USERS

Article 26 (User Protection Policies, etc.) (1) The Government shall promote the following projects to protect the basic rights and profits of users concerning the distribution and transaction of contents: <Amended by Act No. 11690, Mar. 23, 2013>

1. Providing information on contents to users and education of users;
2. Inspecting actual state of observance of user protection guidelines under Article 28;
3. Training content business operators concerning the protection of users;
4. Supporting institutions and organizations aimed at the protection of users;
5. Preparing and implementing measures for the prevention of damage to users and aid to users;
6. Formulating and implementing policies necessary for the protection of rights and interests of users.

(2) The Government shall formulate and implement policies so that persons who have difficulty in freely accessing or using contents due to economic, regional, physical, or social circumstances may use contents conveniently.<Amended by Act No. 11690, Mar. 23, 2013>

(3) The Government may entrust the Korea Content Agency under Article 31 of the Framework Act on the Promotion of Cultural Industries or institutions or organizations related to contents with the duties under paragraphs (1) and (2), as prescribed by Presidential Decree.<Amended by Act No. 11690, Mar. 23, 2013>

Article 27 (Cancellation, etc. of Orders) (1) In case of a content for which order cannot be cancelled or contract cannot be rescinded pursuant to Article 17 (2) of the Act on the Consumer Protection in Electronic Commerce, Etc. (excluding the proviso to the part other than the subparagraphs of the same paragraph), the content producer shall take measures so that exercising a right to cancel the order or to rescind the contract by a user is not obstructed by indicating such fact in the content or on the packing, supplying a trial product, allowing use of the content for a limited period or use of part of the content, etc.: Provided, That where the content producer does not take such measures, restrictions shall not be imposed on the cancellation of order or rescission of contract by the user.

(2) Articles 17, 18, 31, 32, 40, 41, and 44 of the Act on the Consumer Protection in Electronic Commerce, Etc. shall apply mutatis mutandis to cancellation of order and rescission of contract under paragraph (1). In such cases, "mail order distributors" shall be

construed as "content business operators," "goods, etc." as "contents", "consumers" as "users" and "Fair Trade Commission" as "Minister of Culture, Sports and Tourism," respectively.

- Article 28 (Formulation, etc. of Consumer Protection Guidelines)** (1) In order to establish sound order in the transactions and distribution of contents, the Government may formulate guidelines that content business operators can voluntarily observe (hereinafter referred to as "user protection guidelines") after having the opinions of the business operators, institutions and organizations in the relevant field. <Amended by Act No. 11690, Mar. 23, 2013>
- (2) In order to protect users when contents are transacted, a content business operators shall prepare terms of transaction including the details of refund of excessively or erroneously paid amount, right to rescission or termination of a contract to use contents, compensation for users' damage occurring from defects in contents, etc., as prescribed by Presidential Decree, and notify users thereof.
- (3) Where the terms of transaction adopted by a content businessman is more disadvantageous to users than consumer protection guidelines, a content business operators shall state the details of the terms of transaction stipulated differently from user protection guidelines so that users may understand the meaning or notify users thereof.
- (4) The Government may prepare a specimen of terms of transaction on contents and recommend content business operators to use it.<Amended by Act No. 11690, Mar. 23, 2013>
- (5) Articles 31, 32, 40, 41, and 44 of the Act on the Consumer Protection in Electronic Commerce, Etc. shall apply mutatis mutandis to corrective recommendations, corrective measures and penal provisions in the case of violation of paragraph (2) or (3) by a content businessman. In such cases, "Fair Trade Commission" shall be construed as "Minister of Culture, Sports and Tourism."

CHAPTER VI DISPUTE MEDIATION

- Article 29 (Establishment of Dispute Mediation Committee)** (1) In order to mediate disputes on the transaction or use of contents among content business operators, among users and content business operators and among users, a content dispute mediation committee (hereinafter referred to as "mediation committee") shall be established: Provided, That the

Copyright Act shall apply to disputes related to copyrights, and in the case of disputes that are subject to the conciliation of dispute under Article 35-3 of the Broadcasting Act or subject to ruling under Article 45 of the Telecommunications Business Act from among disputes related to broadcasting and communications, the provisions of respective Acts shall apply thereto.

(2) The mediation committee shall consist of 10 to 30 members including a chairperson.

(3) Persons entrusted by the Minister of Culture, Sports and Tourism from among the following persons shall become the members of the mediation committee:

1. Persons who hold or held the post of associate professor or higher in the field of jurisprudence or contents in a school under Article 2 of the Higher Education Act;
2. Persons who is qualified for a judge, prosecutor or attorney;
3. Persons who have sufficient knowledge or experience in contents or content business;
4. Persons who are affiliated with institutions or organizations protecting users;
5. Persons who hold or held the post of grade 4 public official or higher (including public officials in general service affiliated with the Senior Civil Service) or a post corresponding thereto in a public institution, and have experience in the duties of promoting contents or protecting consumers.

(4) The Chairperson of the mediation committee shall be elected by mutual vote from among members.

(5) Members shall be non-permanent members; the term of office of members other than public officials shall be three years and they may be re-entrusted one time only.

(6) A secretariat shall be established in the Korea Creative Content Agency under Article 31 of the Framework Act on the Promotion of Cultural Industries in order to support the duties of the mediation committee.

(7) The mediation committee may have subcommittees according to the kinds of contents.

(8) Necessary matters concerning the structure, operation, etc. of the mediation committee shall be prescribed by Ordinance of the Ministry of Culture, Sports and Tourism.

Article 30 (Mediation of Disputes) (1) A person who intends to be relieved of damage related to content business or the use of contents and to have a dispute mediated may apply for mediation of disputes to the mediation committee: Provided, That where an application for mediation of disputes is filed pursuant to other Acts or mediation of disputes is completed, such cases shall be excluded.

(2) The mediation committee shall prepare a mediation plan within 60 days from the date it receives an application for mediation under (1), and recommend it to the applicant: Provided, That where it intends to extend the period due to unavoidable circumstances, it shall specify the reasons and period and notify the parties to dispute thereof.

(3) Necessary matters concerning the methods of mediation of disputes related to contents, procedures of mediation, handling of mediation duties, etc. shall be determined by the mediation committee.

Article 31 (Challenge, Exclusion, and Recusal of Members) (1) A member of the mediation committee shall be challenged from the mediation of any of the following matters:

1. A matter applied by a member, or the spouse of a member or a person who was the spouse of a member;
2. A matter applied by a person who is in the relationship of joint holders of a right or co-obligors with a member or the spouse of a member or a person who was the spouse of a member;
3. A matter applied by the relative of a member or a person who was the relative of a member.

(2) Where there is a probable cause to believe that a member is likely to conduct biased mediation, the parties to a dispute may elucidate such fact in writing and apply for exclusion.

(3) Where an application for exclusion under paragraph (2) is filed, exclusion shall be determined by the resolution of the mediation committee. In such cases, a member against whom an application for exclusion is filed shall not participate in the resolution.

(4) Where a reason falling under any of the subparagraphs of paragraph (1) is applicable to a member or a reason for which an application for exclusion can be filed pursuant to paragraph (2) is applicable to a member, he/she may recuse himself/herself from the mediation of the matter.

Article 32 (Request, etc. for Data) (1) The mediation committee may request the parties to a dispute, content business operators or testifiers (hereinafter referred to as "parties to a dispute, etc.") to provide data necessary for the mediation of disputes. In such cases, relevant parties to a dispute, etc. shall comply therewith unless any justifiable grounds exist.

(2) Where the mediation committee deems it necessary, it may require the parties to a dispute, etc. to attend meetings of the mediation committee and express their opinions.

Article 33 (Effect of Mediation) (1) Where the mediation committee prepares a mediation plan, it shall propose it to the parties to a dispute without delay.

(2) The parties to a dispute who are proposed a mediation plan pursuant to paragraph (1) shall notify the mediation committee whether they accept the mediation plan within five days from the date they are proposed the mediation plan.

(3) Where the parties to a dispute accept a mediation plan pursuant to paragraph (2), the mediation committee shall prepare a written mediation in which matters agreed upon between the parties to a dispute are entered.

(4) Where the parties to a dispute accept a mediation plan and the mediation committee prepares a written mediation and notifies the parties to a dispute thereof, the details of mediation of a dispute shall have the same effect as that of a consent judgment.

Article 34 (Refusal and Discontinuance of Mediation) (1) Where the mediation committee deems that mediation by the mediation committee is inappropriate due to the nature of the dispute or a reason prescribed by Presidential Decree exists for which an application is filed for a fraudulent purpose, it may refuse to conduct the mediation. In such cases, it shall notify the applicant of the reason for refusal, etc.

(2) Where a party to a dispute files a suit for a case when an application for mediation of the case has been filed and proceedings of the mediation are underway, the mediation committee shall discontinue the mediation and notify both parties of a dispute of such fact.

Article 35 (Mediation Expenses, etc.) (1) The mediation committee may have persons who apply for mediation bear the expenses of mediation, as prescribed by Presidential Decree: Provided, That where mediation is settled, it may have the parties to a dispute share the expenses of mediation according to the result.

(2) The Minister of Culture, Sports and Tourism may support expenses necessary for the operation of the mediation committee within budgetary limits.

Article 36 (Maintenance of Confidentiality)

No person who engages or engaged in the duties of mediation of disputes of the mediation committee shall divulge the classified information that he/she learned in the course of duties to other persons or use such information for a purpose other than official purpose: Provided, That this shall not apply where other Acts prescribe otherwise.

CHAPTER VII SUPPLEMENTARY PROVISIONS

Article 37 (Prohibited Acts, etc.) (1) No person shall, without proper authority, infringe on the business interests of a content producer by reproducing, distributing, broadcasting or forwarding the whole or considerable portion of a content that is produced with effort by the content producer and states, as prescribed by Presidential Decree, in it or on the packing the date of production, name of producer and the fact that it is protected under this Act: Provided, That where five years pass from the date of initial production, this shall not apply.

(2) No person shall, without proper authority, provide, import, manufacture, transfer, lease, forward or exhibit for transfer or lease technologies, services, devices or main parts thereof with the main purpose of circumventing, removing or altering (hereinafter referred to as "neutralization") technological protection measures applied on the contents to efficiently prevent the infringement under paragraph (1) by a content producer or a person who obtains permission from the content producer: Provided, That where devices or parts neutralizing technological protection measures are manufactured for the research and development of technological protection measures, this shall not apply.

(3) Where a content producer reproduces, distributes, broadcasts or forwards a content after fraudulently indicating matters of indication under paragraph (1) or modifying them, indication shall be deemed not to have existed from the beginning.

Article 38 (Request for Compensation for Damage, etc.) (1) A person whose business interest is infringed or is likely to be infringed due to an act in violation of the main clause of Article 37 (1) or the main clause of paragraph (2) of the same Article may request cease or prevention of the violation and compensation for damages from the violation: Provided, That where a content producer fails to indicate the matters of indication under the main clause of Article 37 (1) in the content with regard to an act in violation of the same paragraph, this shall not apply.

(2) Where the occurrence of damage is recognized but the calculation of the amount of damage is difficult, the court may recognize considerable damage in consideration of the intent of proceedings and the result of examination of evidence.

Article 39 (Members To Be Deemed Public Officials in Applying Penal Provisions)

The members of the mediation committee, the executives and employees of the secretariat under Article 29 (6) and the executives and employees of institutions engaged in the duties entrusted pursuant to this Act shall be deemed a public official in applying Articles 129 through 132 of the Criminal Act.

CHAPTER VIII PENAL PROVISIONS

Article 40 (Penal Provisions) (1) Any of the following persons shall be punished by imprisonment for not more than one year or by a fine not exceeding 20 million won:

1. A person who infringes on the business interests of a content producer, in violation of the main text of Article 37 (1);
2. A person who, without proper authority, provides, imports, manufactures, transfers, leases, forwards or exhibits for transfer or lease technologies, services, devices or main parts thereof with the main purpose of neutralizing technological protection measures, in violation of the main sentence of Article 37 (2).

(2) Crimes under paragraph (1) may be prosecuted if an accusation is made.

Article 41 (Penal Provisions)

A person who divulges classified information that he/she has learned in the course of duties to other persons or uses it for a purpose other than official purpose shall be punished by imprisonment for not more than one year or by a fine not exceeding 10 million won.

Article 42 (Joint Penal Provisions)

Where the representative of a corporation, or the agent, servant or employee of a juristic person or individual makes a violation under Article 40 concerning the duties of the corporation or individual, the corporation or individual shall be punished by a fine under the relevant provisions in addition to punishing the violator: Provided, That where the corporation or individual has not been negligent in considerable care and supervision in

order to prevent the violation, this shall not apply.