

The business impact of legislative proposals to combat Internet addiction



By Jay H. Im and Ghil-Won Jo

As tragic incidents stemming from Internet addiction become increasingly common in Korean society, lawmakers have drafted two different legislative proposals to combat the growing problem, one prepared by the Grand National Party (GNP) and one by the Democratic Party (DP).

Depending upon which proposal is ultimately adopted by the National Assembly, and in what form, this may have certain implications for those companies engaged in the provision of information and communications services as contemplated by the bills, such as games, chatting or other similar activities (the service providers).

The GNP Bill

The bill proposed by lawmakers from the Grand National Party on November 25th, 2008 (the GNP Bill) would require service providers to notify users of the dangers of Internet addiction upon the commencement of any services, failing which the service providers could be subject to corrective orders and fines in an amount not exceeding KRW 30 million if the corrective orders are not complied with. Service providers would also be required to institute procedures to help prevent internet addiction, including allowing for the voluntary suspension of services, placing restrictions on the total number of hours of usage and providing information on usage details.

The DP Bill

Lawmakers from the Democratic Party were not satisfied with the GNP Bill and proposed their own version on May 7, 2010 (the DP Bill). Under this draft, only service providers with a number of users that meets or exceeds the figure to be set forth in a subsequent Presidential Decree or Enforcement Decree must notify such users of the potential dangers caused by an extended use of services. In the same vein as the GNP Bill, however, service

providers would be required to immediately comply with any request by any users (or their legal representatives) for a suspension of services, restriction on the total number of hours of usage or information on matters such as the number of hours played or usage fees.

The DP Bill also empowers the Ministry of Public Administration & Security to grant green certification marks to service providers that take technical and operational measures to prevent and address Internet addiction, issue corrective orders to those that fail to comply with the provisions of the DP Bill and levy fines in an amount not exceeding KRW 10 million if the corrective orders are not complied with.

Conclusion

On March 7, 2011, the Public Administration & Security Committee of the National Assembly (the Committee) presented the GNP Bill and the DP Bill to its members for review, after which they were forwarded to one of its subcommittees (the Subcommittee) for further discussion and analysis. If the Subcommittee is able to come to some form of resolution on the bills, then it will issue its recommendation to the Committee. In turn, should the Committee accept the recommendation, then the procedures for the passage of law are expected to come into play.

While the fate of each bill is unclear, it is conceivable, judging from past practice, that the Subcommittee may try to integrate the two proposals into one combined bill by incorporating those provisions of each that are deemed to be most effective. Whatever may ultimately happen, it would be in the interests of those companies who may be affected by the legislation to monitor the situation and prepare for any ensuing responsibilities that it may entail.

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