
**Countermeasures
against
Illegal Content
Distribution**

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P.CoK WHITEPAPER

VOL. 3

Kakao Entertainment is pleased to release the third whitepaper on content piracy called Countermeasures Against Illegal Content Distribution created by a specially comprised team called P.CoK, or Protecting the Contents of Kakao Entertainment.

The purpose of the document is to share with the wider industry the company's strategies for countering illegal content distribution based on actions taken and data gathered over the first half of 2023. In its industry-leading fight against the illegal dissemination of webtoons and web novels, Kakao Entertainment puts for this white paper as a collective commitment to bolster copyright protection and safeguard the rights of creators, fostering a healthy content ecosystem in which creative works can attain their rightful value.

1. Illegal Content Distribution Market: Overview

1-1. The Purpose of this whitepaper

Our objective is to emphasize three crucial areas:

- 1) **The results achieved from enforcement actions taken against illegal materials spanning from 2016 to the first half of 2023;**
- 2) **Activities designed to enhance copyright awareness through user engagement;** and,
- 3) **Key projects striving to fulfill the copyright protection responsibilities of platforms while promoting synergy with content creators.**

📌 Note: See our press releases that summarizes the [first White Paper](#) (Nov. 2021 - Apr. 2022), and [second White Paper](#) (Apr. 2022 - Nov. 2022)

1-2. Illegal Content Distribution Status: Breakdown by Language Region

Language Region	Details
Korean	<ul style="list-style-type: none">● Webtoons are leveraged to lure users into secondary traffic aimed toward illegal gambling and porn websites.● Illegal site operators preemptively secure domain addresses, instantly launching a new illegal site when a current one is blocked.● There is an active use of sites compiling changeable addresses and social media channels that instantly publicize those addresses, resulting in a scenario in which the speed of blocking illegal sites lags behind their creation.● The initial wave of illegal distribution often begins with large-scale illegal Korean language sites, subsequently cascading to smaller illegal sites in Korea and abroad.

English	<ul style="list-style-type: none"> ● English-speaking regions are a hotbed for illegal webtoon and web novel distribution, with illicit English translations not only circulating within these regions but also being further translated into other languages, leading to secondary infringements across various countries. ● English translation groups conduct illegal translation and distribution through a granular process, which includes scraping episodes from illegal Korean sites, translating, eliminating the original language, and editing. ● Such groups commonly use an almost official looking "credits page" in each episode, providing group details, participant nicknames, translation group links, and account links for revenue generation. This leads a significant number of users to mistakenly view these illegal translation groups as legitimate distributors.
Chinese	<ul style="list-style-type: none"> ● There is a sustained uptick in illegal distribution traffic on video platforms. ● The Chinese market has a high incidence of illegal distribution via apps on Chinese platforms, as well as the widespread distribution of illicit comic files in APK format on Android devices.
Indonesian	<ul style="list-style-type: none"> ● Unlawful webtoon sites and communities are operating as legitimate brands. ● Originally, it was devoted fans who were driving the illicit translation and distribution of content. But as the unlawful activity has expanded, there has been a discernible shift toward revenue generation. ● Indonesian translation groups demonstrate a pronounced exclusivity, utilizing cryptic language decipherable only by their user community. ● As the P.CoK team has expanded its enforcement efforts, there has been a growing consensus within the illegal distribution community about its vulnerability to enforcement actions and agreement on the need to refrain from disseminating Kakao Webtoon content.
Thai	<ul style="list-style-type: none"> ● A 'VIP subscription system' is in effect, offering unrestricted access to all content. This system coexists with other revenue generation methods, such as hosting gambling advertisements on websites. ● In an ongoing collaboration with our Bangkok office, we are conducting intensive crackdowns on the leading ten illicit sites within the nation.
Others	<ul style="list-style-type: none"> ● For illicit translations, the majority of offenders are users who are either familiar with Korean culture and K-Content or those who have studied Korean at local educational institutions. ● The proliferation of numerous translation websites and AI translation tools now allows individuals who do not speak a certain language to easily engage in illicit translation and distribution. ● As P.CoK has ramped up monitoring, there has been a surge in private communities formulated to circumvent crackdowns. Additionally, there is a rising trend of covertly sharing the work title or illegal distribution routes via

	comments, direct messages (DMs), and so forth, without explicitly mentioning the entire title in the post.
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1-3. Current State of Responses to Illegal Distribution

● IT-Enabled Measures Against Illegal Distribution

- We are actively collecting data through comprehensive monitoring, issuing warnings, and blocking access to major foreign sites engaged in illegal distribution of Kakao content, as well as other illicit websites that continuously change their domain names.
- P.CoK's response to this illegal activity is not limited to the languages already mentioned in this report (English, Chinese, Indonesian, and Thai). It extends to **a range of other languages**, including Spanish, Portuguese, and Russian.
- Information related to illegal distribution sites and their associated communities is being consolidated into a database. Leveraging this database, we identify distribution patterns across groups and developed tailored responses that are appropriate to stop the infringements on various websites and platforms.

● Measures against Illegal Distribution by Language Region

Language Regions	Details
Korean	<ul style="list-style-type: none"> ● Search and access blocking of illicit sites <ul style="list-style-type: none"> ○ A vast majority of illegal Korean webtoon sites persist in their illicit activities by registering server addresses overseas or by continuously altering their domain to dodge Korean access-blocking measures. Thus, 1) blocking searches for illicit sites and 2) blocking access to these sites forms the bedrock of our enforcement. ● Crackdown on illicit link-sharing sites <ul style="list-style-type: none"> ○ We are rigorously enforcing crackdowns and blocking access to sites and large-scale link-sharing sites that intentionally and routinely distribute illegal links. ● Legal Recourse <ul style="list-style-type: none"> ○ We are arranging a variety of legal actions, such as the apprehension of the operators of illegal Korean sites through international cooperation and by filing civil and criminal lawsuits.
English	<ul style="list-style-type: none"> ● Urging the cessation and dissolution of illicit communities <ul style="list-style-type: none"> ○ We are proactively infiltrating communities, such as those found on Discord, and those affiliated with translation groups, to document and report infringement incidents and call for the shutdown of those group. ○ We persist in issuing warning letters to group administrators, aiming to

	<p>disrupt these translation communities and put an end to the creation of new unlawful groups.</p>
Chinese	<ul style="list-style-type: none"> ● Facilitating routine crackdown meetings on illegal activities <ul style="list-style-type: none"> ○ We have initiated ongoing dialogues with webtoon distribution platforms in China to address unauthorized distribution within the Chinese-speaking community and promote joint crackdown initiatives. ● Prioritizing crackdowns on video platforms <ul style="list-style-type: none"> ○ We place a significant emphasis on regulating video platforms, where unauthorized distribution is extensive. After regularly issuing warnings to one major video platform, the time required for the removal of illegal content was reduced by 50%. ● Collaborating with search engines to safeguard copyrights and prepare legal responses <ul style="list-style-type: none"> ○ Our partnership with Chinese search engines on copyright protection initiatives is progressing effectively. We frequently request search restrictions for sites with extensive copyright infringements. In addition, we are preparing to take legal action against illegal operators we have identified.
Indonesian	<ul style="list-style-type: none"> ● Dispatching warning letters to unlawful communities and encouraging the cessation of translations <ul style="list-style-type: none"> ○ Indonesian sites have been quick to remove unauthorized content and halt further translations after receiving warning letters. Consequently, we are targeting the translation groups for disruption by developing a local database of illicit communities and continually issuing warning letters to them using local copyright laws. ● Implementing campaigns to enhance awareness <ul style="list-style-type: none"> ○ With a strong emphasis on initiating campaigns that promote the awareness of illegal activities, Indonesia has demonstrated great success in guiding illegal users. In the first half of 2023, we operated the Kakao Webtoon Indonesia Copyright Protection Supporters Program as part of our anti-illegal content campaign. As a result, over 600 pieces of content that raises awareness to the importance of copyright protection have been successfully uploaded across various platforms.

2. Progress

2-1. Ensuring adherence to the platform's copyright protection obligations and promoting mutually beneficial relationships with content creators

- **Current Status**

- Unauthorized distribution remains an ongoing concern for content creators and distributors. It inflicts emotional distress on authors and diminishes their motivation to create new work, thus hindering the long-term, healthy evolution of the content environment.
- As a platform enterprise, Kakao Entertainment has been taking assertive steps since 2016 to combat copyright infringements, fulfilling its obligation to protect its intellectual property.

● **Objectives**

- Beginning in the second half of 2023, we will disseminate quarterly copyright protection reports for exclusively distributed works to authors and content production companies. This initiative aims to encourage dialogue with content creators by guiding them on how to report illegal content distribution, minimizing the psychological distress endured by authors, and **facilitating the establishment of a sustainable content ecosystem.**

2-2. Enhancing Awareness of the Importance Copyright Protection

P.CoK has initiated several programs to raise awareness about how important copyright protection is, predominantly in Southeast Asian nations where awareness is relatively low. **Indonesia was selected as a primary target for these initiatives.** They include: 1) Conducting interviews with illegal website administrators and users; 2) Administering a pledge ceremony to curtail illicit distribution; 3) Transitioning unlawful site operators to legality; and, 4) Conducting training programs that enhance awareness of copyright protection with brand supporters, and running campaigns to identify and eradicate illegal operations.

Activities	Details
Interviews with Unlawful Site Operators and Users	<ul style="list-style-type: none"> ● To draw users of illegal communities and unauthorized sites toward our official services, we embarked on a mission to Indonesia in January '23, engaging six individuals in several deep interviews. This underscored the urgency of enhancing awareness of the importance of copyright protection.
Illicit Distribution Eradication Pledge Ceremony	<ul style="list-style-type: none"> ● A pledge to abolish illegal activities was orchestrated among the interviewees. The associated Twitter post garnered positive reactions, boasting the participation of 20,000 users.
Legalization of Illicit Sites	<ul style="list-style-type: none"> ● One operator of an unlawful site, having participated in the interview, immediately updated a banner on their website to state that “We commit to halting the unauthorized translation of Kakao Webtoon content on this platform, and advocate for the consumption of content from the official site,” with the official Kakao Webtoon URL also being included. This case marked an industry-first exemplary instance of effectively guiding illegal operators towards legal operations.

<p>Brand Supporters and Copyright Awareness Improvement Initiatives</p>	<ul style="list-style-type: none"> ● The launch ceremony for the Kakao Webtoon Indonesia Brand Supporters took place in March 2023, and was accompanied by an offline training program aimed at eradicating illicit distribution and enhancing awareness of the importance of copyright protection. ● 25 brand supporters embarked on a two-month journey to improve awareness of the importance of copyright protection and eradicate illegal practices. The journey culminated in over 600 content uploads and achieved up to 300,000 views.
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2-3. Quantitative Outcomes

From 2016 through to the first half of 2023, Kakao Entertainment has demonstrated top-tier performance in terms of removing illegal content in Korea, with **approximately 24 million instances of illegal content coming down.**

Of this figure, **roughly 14 million instances** were recorded within the six-month span from November 2022 to May 2023, **an increase of 112% compared to the preceding crackdown phase in the second half of 2022.**

Assuming a similar crackdown strategy in the second half of 2023, the **anticipated total number of illegal content removals for 2023 exceeds 28 million.** This comprehensive response to the unauthorized distribution of Kakao Entertainment's webtoons and web novels represents a leading standard within Korea's content industry.

2-4. Qualitative Outcomes

During the first half of 2023, P.CoK realized significant qualitative enforcement outcomes. This period saw the expansion and sophistication of the monitoring system to include not only illegal webtoons and web novels - the primary targets during the second white paper's enforcement phase - but also unauthorized secondary creations leveraging Kakao Entertainment's intellectual property, such as illegal character goods and printed materials.

P.CoK conducts ongoing and comprehensive monitoring to safeguard Kakao Entertainment's intellectual property on both unauthorized and official platforms, ensuring seamless copyright protection for webtoons and web novels that serve as highly valuable seed content across diverse genres.

3. Next Steps for Maintaining Progress

3-1. Enhancements Made After the Release of the Second White Paper

- As part of our broader effort to educate illegal users, proactive steps have been taken to deter illegal dissemination of Kakao Entertainment content, including conducting user interviews, holding commitment ceremonies, and initiating brand supporter programs in Indonesia,.
- The surveillance has been optimized by harmonizing automated and manual monitoring to eradicate blind spots.
- Following the release of our second white paper, we saw an almost twofold increase of illegal activity reporting via the P.CoK portal by users in Korea and around the world.

3-2. Obstacles in Enforcement

- Since starting to enforce our rights, we noticed a surge in the frequency and concealment of unlawful distribution and communities.
- Despite collaborating with investigative organizations to apprehend the operators of illegal websites in Korea, there are significant challenges to moving the investigation forward for people who reside overseas. In this context, creating partnerships with local authorities is inevitable.

3-3. Key Next Steps for Eliminating Copyright Infringement

- **Enhancing awareness of the importance of copyright protection among Korean students.**

- Instances have been identified where individuals, either having familiarity with K-culture or having learned Korean at educational institutions, translate the material from Korean to other languages.
- Therefore, it is imperative to initiate campaigns to enhance understandings about the importance of protecting copyright through regional Korean language educational institutions across different language demographics.

- **Collaborating internationally and leading a collective effort to safeguard copyrights.**

- Numerous illegal website operators, both Korean and international, are situated around the globe and this makes enforcement a challenge.
- Even after we identify these operators, if they are residents overseas or are citizens of other countries, it is nearly impossible to pursue punitive actions against them.
- Our proposed strategy is to vigilantly explore powerful countermeasures and industry-led initiatives for copyright protection, and to combat illegal activity by fostering robust collaborations with investigative agencies in Korea and abroad. We are also working with Korea's Ministry of Culture, Sports and Tourism, the Korea Copyright Commission, the Korea Copyright Protection Agency, Korea's Ministry of Science and ICT, the Korea Communications Standards Commission, the World Intellectual Property Organization (WIPOⁱ), various international conventions, the Internet Corporation for Assigned Names and Numbers (ICANNⁱⁱ), the Digital Comics Anti-piracy Committee (DACⁱⁱⁱ), the Copyright Overseas promotion Association (COA), and various other governmental and non-governmental copyright management organizations globally.

- Kakao Entertainment, in conjunction with seven other Korean webtoon corporations, is actively engaged in a collaborative effort to eradicate illegal content distribution that threatens the health of our industry.

ⁱ WIPO (World Intellectual Property Organization): UN agency responsible for managing global intellectual property rights.

ⁱⁱ ICANN (Internet Corporation for Assigned Names and Numbers): A non-profit entity responsible for deciding Internet domain policies.

ⁱⁱⁱ DAC (Digital Comics Anti-piracy Committee): A committee dedicated to tackling illicit webtoon distribution.