

The latest trends and issues related to trade secrets in Korea

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To protect technical information, companies **use trade secrets and patents combining** in consideration of market environment, fast-changing technology development, and ease of imitation

- Companies use patents and trade secrets complementarily, the complementarity of trade secrets is especially evident in high-tech industries.
- Along with other technology protection systems*, a system for protecting trade secrets is prepared through the Unfair Competition Prevention Act


* ACT ON PREVENTION OF DIVULGENCE AND PROTECTION OF INDUSTRIAL TECHNOLOGY,
ACT ON SUPPORT FOR PROTECTION OF TECHNOLOGIES OF SMALL AND MEDIUM ENTERPRISES,
DEFENSE TECHNOLOGY SECURITY ACT

Recent media reports on the breach of trade secrets




 법률신문


[판결] BHC vs BBQ '1000억대 영업비밀침해 소송'... 1심서
BHC ... 2021. 9. 29.

 동아일보

"위성 전문인력 빼갔다"...KAI, 한화시스템에 '영업비밀 침해'
소송 2021. 11. 17.

 매일경제

기술개발에 100조 쓰는데 60조 영업비밀 유출로 줄줄 샌다 2021. 8. 18.

 이투데이

[스페셜리포트] 기술 유출, 어렵게 잡아도... 처벌 여전히 '숨방
망이' 2022. 4. 25.

Status of trade secrets protection

- (Economic Damages) Economic damage from trade secrets leaks is estimated to be around 1-3% of GDP and close to \$40 billion
- (Damage Scale) 11.1% of the surveyed companies experienced trade secret theft, and the average amount of damages caused by trade secret stealing was \$700,000 per company
- (Trade Secret Espionage) Most of the people who leaked trade secrets were employees, with retirees at 61.3% and current employees at 16.8%.
- (Response to Trade Secret Espionage) Warning letters (42%), criminal charges (10.1%), civil lawsuits (8.4%), and 23.5% did not respond
- (Business secret management status) There is a lack of corporate awareness of the necessity and method of protecting trade secrets, and in particular, executives and employees neglect to manage trade secrets leakage

Changes in the Policy Environment for Trade Secrets

Policy trends so far

- Focus on Strengthening post-punishment rather than proactive prevention
- Protecting universities and research institutes is relatively weak due to enterprise-centered protection measures
- Lack of protection measures in digital environment such as cyber hacking
- Lack of connectivity between ministries



Changes in the internal and external environment

- Accelerating the Digital Transformation
- Intensifying Competition for Global Technology Hegemony
- Increased risk of cyber hacking
- Emphasis on the importance of undisclosed information in international agreements

Direction of the policy

In the process of implementing the trade secret protection policy, we intend to supplement the problems and establish policies

December of 2021

The Establishment of "The First Basic Plan for the Prevention of Unfair Competition and the Protection of Trade Secrets"

- The basic plan is established based on countermeasures to protect "the undisclosed technologies and management information" leaked in "unfair ways"
- The first basic plan for the trade secret protection is established as a long-term plan for 5 years
- It aims to establish a foundation for innovation and enhance national competitiveness by strengthening the protection of trade secrets

01

Strengthen precautionary measures to prevent trade secret leakage

- Eliminating the blind spots of trade secrets for SMEs, universities, and public institutions
- Promoting awareness of trade secrets and creating the ecosystem
- Establishment of the foundation for protecting trade secrets of domestic companies operating overseas

02

Establishing a foundation for protecting trade secrets in response to new environmental changes

- Management to prevent trade secrets from leaking overseas
- Strengthening support for the protection of key research personnel
- Protecting trade secrets in response to accelerating digital transformation

03

Improving the ability to respond to trade secret leaks

- Establishing a fast/efficient trade secret theft investigation/inspection system
- Strengthening SMEs' Response Capabilities
- Improvement of the system for effective trade secret dispute resolution



THANK YOU