

Strengthening IPR Protection



- 32 Comprehensive Safeguard System for Technology Leakage Protection
- 34 Operation of a Tailored Online Trade Secret Training Program
- 36 Restructuring and Expansion of Overseas IP Centers
- 38 Joint Enforcement System to Combat E-Commerce Counterfeits



Landmark during sunset of Suwon Hwaseong Fortress in Suwon, Gyeonggi-do, Korea

Comprehensive Safeguard System for Technology Leakage Protection

Intellectual Property Protection Policy Division

Over the past seven years, the overseas leak of industrial technology—a major form of trade secret infringement—has resulted in damages amounting to approximately KRW 33 trillion (approx. USD 2.4 billion). In response to growing concerns, KIPO introduced a comprehensive safeguard system for technology protection to significantly strengthen Korea’s ability to prevent and respond to such incidents. This strengthened system spans the full cycle of protection against trade secret infringement (technology leakage) from risk analysis to investigation, enforcement, and compensation.

As part of this initiative, Korea has enhanced its legal and institutional foundations to more effectively prevent and punish technology leakage. Key reforms include expanding the investigative authority of KIPO’s special judicial police to cover not only actual acts of trade secret leakage but also preparatory and conspiratorial conduct, as well as unauthorized retention and transfers. Sentencing guidelines were also revised to impose stricter penalties, and the ceiling for punitive damages in trade secret infringement cases has been raised, demonstrating a strong commitment to deterrence and enforcement.

Expansion of the Tech Police's Authority

Comprising of KIPO personnel with technical and legal expertise, KIPO’s special judicial police (also known as the Technology and Design Police or “Tech

Police”) are authorized to investigate and enforce violations related to technology, design, and trade secrets. First launched in 2019, they have charged 1,855 individuals with technology-related crimes as of 2023. To significantly expand the investigative authority of the Tech Police, an amendment was made to the *Act on the Duties of Judicial Police Officers* on January 16, 2024.

Previously, investigative power was limited to the unauthorized acquisition, use, or disclosure of trade secrets. As a result, investigations could only be initiated after an actual leak had occurred. Even when authorities could identify preparatory or conspiratorial activity, they lacked the legal grounds to intervene unless the information had already been disclosed to a third party. This limitation made it difficult to respond proactively to suspected offenses during the planning or attempted stages of the crime.

Following the 2024 amendment, the Tech Police is now empowered to investigate not only the unauthorized acquisition, use, or disclosure of trade secrets, but also any acts committed during the preparatory, conspiratorial, or unlawful possession stages. This legal reform enables preemptive investigations, helping to prevent technology leaks before they transpire. KIPO’s expanded authority thus moves beyond post-incident enforcement and extends to preventative enforcement measures, offering robust protection for key technologies.

Stronger Penalties and Punitive Damages for Trade Secret Infringement

To strengthen enforcement against trade secret infringement, KIPO collaborated with the Supreme Prosecutors' Office to revise sentencing guidelines for IP and technology crimes. The updated guidelines, implemented on July 1, 2024, impose stricter penalties, particularly for cases involving overseas leakage of trade secrets (industrial technology). Additionally, on August 21, 2024, the *Unfair Competition Prevention and Trade Secret Protection Act* was amended to raise the cap on punitive damages from three times to five times the actual loss incurred, signaling Korea's firm commitment to strengthening the enforcement of IP rights.

Also, despite the severity of technology leakage, particularly cases involving overseas transfers, penalties have previously been relatively lenient. For example, first-time offenders were often

given suspended sentences without actual imprisonment. Under the revised guidelines, the maximum prison term has increased from 9 to 12 years, and courts may now impose custodial sentences even for first-time offenders.

Moreover, recognizing the corporate and organizational nature of many violations, corporate fines may now reach up to three times the amount imposed on individual perpetrators. This measure is intended to strengthen enforcement and enhance deterrence particularly against organized or systematic attempts to misappropriate trade secrets.

In further effort to ensure that sentencing reflects the scale of economic harm, KIPO plans to establish a consultative body with relevant agencies and experts. Additional legislative reforms are also underway to define broker activities—such as introducing, arranging, or soliciting trade secret leakage—as punishable criminal acts.

Key Changes for the Safeguard System for Technology Protection

Details	Date of Implementation
Expansion of the Technology Police's investigative authority to all stages of trade secret crimes (via amendment to the <i>Act on the Duties of Judicial Police Officers</i>) * Previous: Unauthorized acquisition/use/disclosure only → Current: Conspiracy, unjust retention, unauthorized external transfer	2024. 01. 16.
Increase of punishment severity in sentencing guidelines for IP and technology crimes * Previous : 9 years imprisonment → Current: 12 years imprisonment, also for first time offenders	2024. 07. 01.
Increase of punitive damages (via amendment to the <i>Unfair Competition Prevention and Trade Secret Protection Act</i>) * Previous : 3 times actual loss → Current: Cap to 5x actual loss	2024. 08. 21.

Operation of a Tailored Online Trade Secret Training Program

Intellectual Property Dispute Settlement Division

With the growing threat of trade secret misappropriation, KIPO launched an online training program to strengthen trade secret protection capabilities. In particular, many SMEs face difficulties in conducting internal training due to financial constraints and/or a lack of awareness among top management. To address this, KIPO, in collaboration with the Korea Intellectual Property Protection Agency (KOIPA), launched a free online training course tailored to the needs of different user groups.

A key feature of the program is its three track structure designed for CEOs, employees, and the general public. 1) The CEO Track includes modules on institutional strategies, confidentiality agreements, and internal human resource management. 2) The Employee Track covers the use of patents and trade secrets, research security, and legal precedents related to R&D activities. 3) The General Public Track offers introductory content, including Q&A sessions, explanations of protection systems, and case-based response strategies. Each track provides audience-specific guidance and practical tools for

managing and protecting trade secrets. A notable common component of the program is a lecture by an expert in trade secret law offering in-depth explanations of the legal criteria for trade secret recognition and practical guidance on confidentiality agreements and managing internal personnel.

Participants who complete the training receive a certificate of completion, which may serve as evidence of a company's preventive efforts in the event of a legal dispute on trade secrets. In addition, companies that complete the course are awarded additional points as a competitive advantage to be selected for government support programs, such as KOIPA's consulting services to establish in-house trade secret management systems.

Those wishing to participate in the online training program must register membership and enroll in the course through the official website of the KOIPA's "Trade Secret Protection Center." Based on future demands and outcomes, KIPO plans to consider ways to expand and further develop the program.

Structure of the Online Trade Secret Training Program

Track	Category	Details
CEO	Institutional Management	Strategies for trade secret protection from an institutional perspective
	Physical Management	Physical measures CEOs should adopt to safeguard trade secrets
	Human Resource Management	HR strategies for internal control of trade secrets
	IP Internal Regulations	Guidelines for drafting internal IP protection rules
	Confidentiality Agreement	Guide for securing signed confidentiality agreements
Employees	Technology Protection	Use of patents and trade secrets to protect technical information
	Patent & Trade Secrets	Complementary use of patents and trade secrets
	Research Security	Research security and trade secret protection system
	R&D Information	Legal precedents related to trade secrets in R&D
General Public	Q&A	Representative questions and answers on trade secret protection
	Protection System	Introduction to the trade secret protection system through real-life cases
	Response Measures	Response strategies and case studies on trade secret leaks
	Management Practices	Guidelines for companies on managing trade secrets

Restructuring and Expansion of Overseas IP Centers

Intellectual Property Dispute Settlement Division

In 2024, KIPO restructured and significantly expanded its Overseas IP Centers (formerly known as IP-DESKs) to provide stronger support to Korean businesses facing IP challenges abroad. “IP Centers” are located in countries across the world serving as regional hubs for localized IP support, offering legal consultations, enforcement assistance, and IP protection strategic guidance tailored to each country’s legal and market environment.

Previously managed by the Korea Trade-Investment Promotion Agency (KOTRA), IP Centers have been under the supervision of the Korea Intellectual Property Protection Agency (KOIPA) since their reorganization. As services were previously limited to countries with a physical IP Center, in February 2024, a regional support model was adopted to significantly expand service coverage from 11 to 40 countries. The new system allows each center to provide assistance, such as IP-related consultations and legal support, across multiple neighboring countries, further strengthening support for Korean companies’ global IP protection efforts.

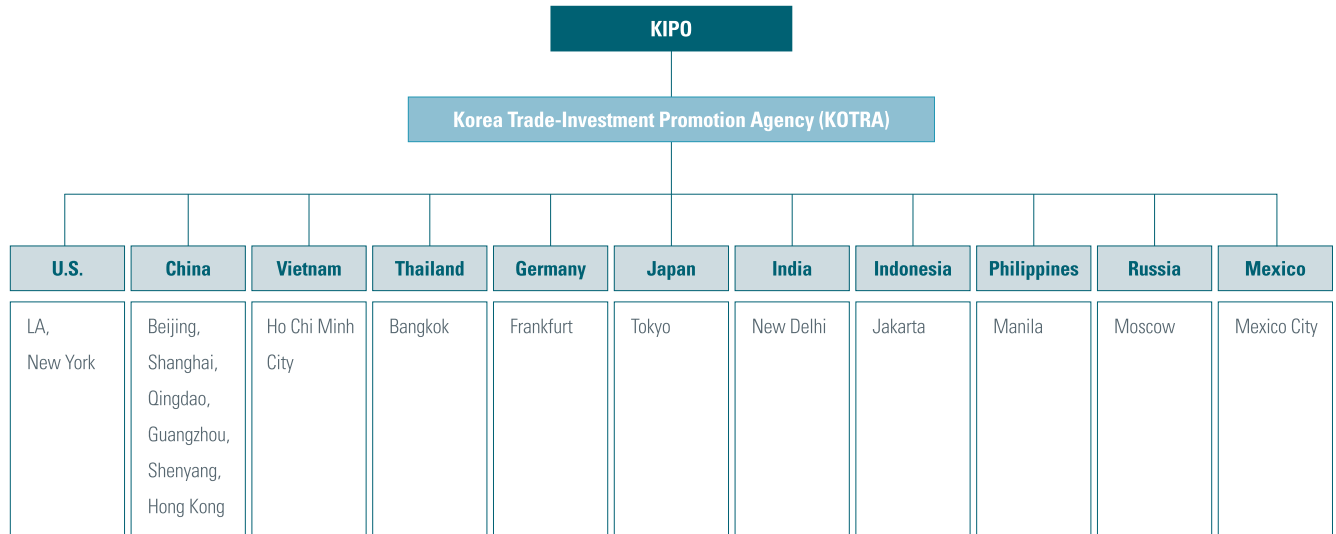
The IP Centers are staffed with legal professionals, including attorneys and patent attorneys, who provide customized legal support tailored to local conditions. These services are particularly valuable for small and medium-sized enterprises (SMEs) and mid-sized companies seeking to enter or expand into global markets. As a result, Korean businesses now have access to legal consultations and advisory services in about 40 countries and regions

across North America, Europe, Asia, and Latin America.

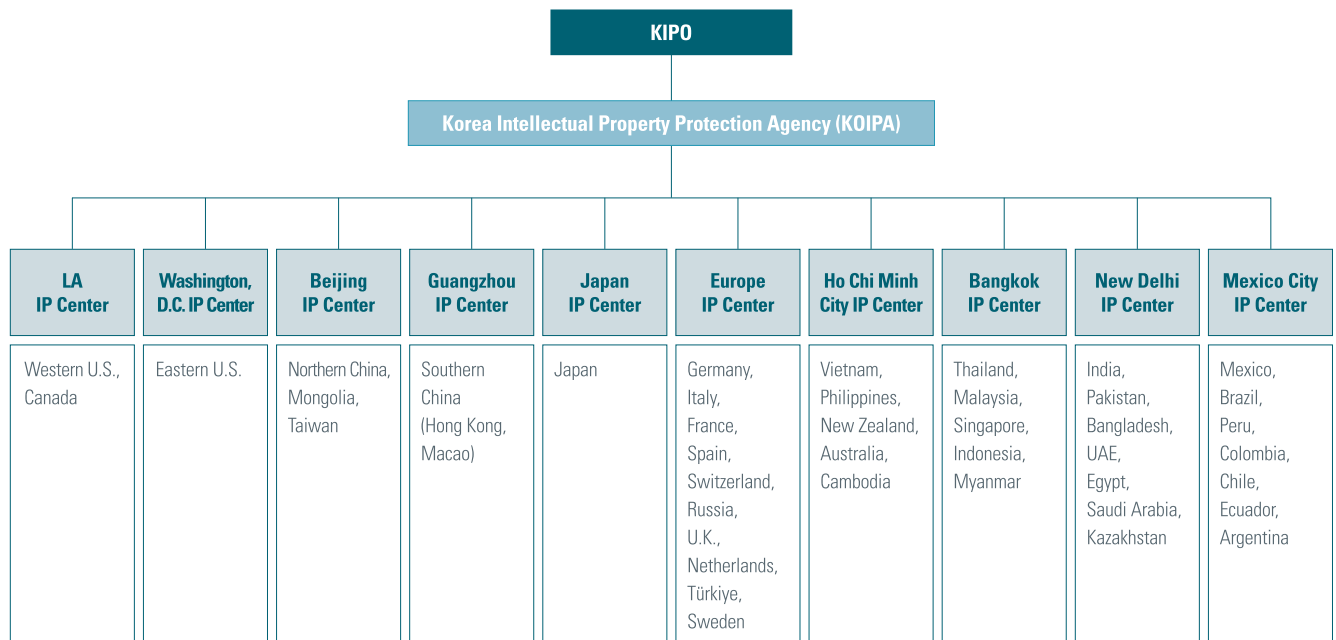
In tandem with the reorganization, the IP Center’s Legal Services Support Program has been fully implemented to provide financial assistance for services, such as legal opinions, infringement investigations, and overseas dispute response. The program includes a fast-track mechanism for urgent cases, enabling companies to respond swiftly and effectively to emerging IP challenges. By encouraging regular participation and offering structured support, this enhanced framework allows Korean businesses to address IP infringement and disputes abroad in a more timely and systematic manner.

For those entering new international markets—or those still in the early stages of expansion—often struggled to obtain localized, professional advice. To address this gap, KIPO established the Overseas IP Cooperation Division within KOIPA. Unlike the IP Centers, which operate overseas, this new division is based in Korea and focuses on supporting companies preparing for international expansion. In addition to providing IP consultation services, the division acts as a liaison by connecting companies with the relevant IP Center responsible for their target region. Depending on the nature of the issue, cases may be handled directly by the division or referred to the appropriate local IP Center. Furthermore, export-related agencies such as KOTRA and the Korea International Trade Association (KITA) may alert the division to urgent IP issues faced by Korean companies abroad, ensuring more timely and coordinated support.

Before (17 IP-DESKs providing support in 11 countries and regions)



After (10 IP Centers in 8 countries providing support in 40 countries and regions)



Joint Enforcement System to Combat E-Commerce Counterfeits

Intellectual Property Protection Policy Division

To more effectively prevent the inflow of counterfeit goods through cross-border e-commerce, KIPO, in collaboration with the Korea Customs Service (KCS), launched a joint enforcement system that targets counterfeit imports at the customs clearance stage. As part of this initiative, the Cross-Border E-Commerce Counterfeit Goods Monitoring System was piloted in April 2024.

Under this system, KIPO monitors online platforms for listings of suspected counterfeit goods and shares the relevant information with KCS. Based on this information, KCS can suspend customs clearance for the corresponding goods before they enter the domestic market. When overseas sellers submit shipment declarations, KCS verifies whether the declared items match KIPO's counterfeit reports. If a match is identified, customs clearance is suspended, and enforcement measures are taken. In such cases, overseas sellers may be required to issue refunds and remove the product listings, thereby preventing the distribution of counterfeit goods before they reach Korean consumers.

Within just six months of its pilot launch, the system successfully prevented the import of 5,116 counterfeit items (as of October 2024). Following this success, KIPO and KCS signed a memorandum of understanding (MOU) in November 2024 to institutionalize the system and strengthen interagency cooperation, particularly in areas of information-sharing and enforcement coordination.

To further enhance monitoring capabilities, KIPO began introducing AI-powered detection technologies in June 2024. The AI-based system initially targeted 11 brands and is scheduled to expand to 160 brands starting in 2025. In parallel, KIPO will continue to share data with KCS regarding trademark infringement trends and enforcement outcomes to support more proactive and targeted border control. Particular focus will be placed on counterfeit products that pose risks to public health and safety. In these cases, KIPO and KCS plan to coordinate targeted enforcement efforts alongside hazard analyses, ensuring both consumer protection and effective IP rights enforcement in the fast-evolving e-commerce landscape.

Cross-Border E-Commerce Counterfeit Goods Monitoring System with KCS

