

# Licensing to South Korea Into Future

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*Past, present, future examined; recent positive changes in law reflect nation's course*

Nations wishing to develop economically have traditionally looked to licensing foreign technology as a key part of their developmental plans. The licensee national acquires proven technologies from developed licensor nations, the licensed technologies thereby acting as catalysts in launching the licensee nation as a player in the global community of trading nations. The foreign licensors benefit from these agreements by deriving significant revenues without having to manufacture goods or provide services. Using the licensed technology, the developing nations can manufacture goods without incurring the high cost and risk the uncertainty of developing the necessary technology themselves. They can export the manufactured goods to countries with favorable markets. A host of success stories using this approach dot the Pacific Rim. One is South Korea.

The success of the South Korean economy can be traced directly to its early policies on importing technology from developed nations like the United States and Japan.<sup>1</sup> Its economic success story has been steadily written in its export statistics spanning the last four decades. During the early stages of this period, the South Korean government carefully regulated the types of technologies it allowed to be imported for two reasons: one to protect its industries from having to pay an inequitable amount of money to the economically powerful countries offering their technologies, and two, to ensure an orderly and controlled development of its economy.<sup>2</sup>

Despite this urge to regulate, South Korea's policies on importing technology favored the foreign licensors offering their technologies. After all, prospective licensees could not bring a great deal to the bargaining table. So the South Korean government, through its regulations, provided needed incentives such as tax exemptions or reductions to lure the foreign licensors into offering the needed technologies. Predictably, the foreign licensors jumped at the chance for tax exempt status and began to execute many technology license agreements. As a result, the licensed technologies propelled South Korea into the global economic arena and made it one of the fastest growing economies of the 1980s.

The 1990s have brought a new South Korea to the playing field. Its economy is more powerful, its technologies more developed. And though its current economic policy has not changed much from its earlier incarnations, the types of technologies imported and tax exemptions granted have changed. The government does recognize, however, that a technology gap still exists between South Korea and the more advanced nations like the United States and Japan. To close it, South Korea's newest administration, headed by President Kim Young Sam, has launched projects that emphasize selected, highly advanced technologies for the future. To this end, South Korea will again rely, at least in part, on proven technologies of the advanced nations to act as catalysts.<sup>3</sup> For example, in July 1993, South Korea announced its new Five-Year Development Plan, which strongly encourages foreign investment by reducing regulations and other barriers. With the announcement of this new plan, South Korea

has shown an urgency in its goal to reignite its economy through importation of highly advanced technologies. The spark: tempting opportunities for foreign investors.

Once South Korea acquires the coveted technologies, tax exemption favors to the foreign licensors will again be changed, narrowed, or even completely withdrawn. Until then, however, and at least for the next few years, South Korea will continue to provide incentives, such as tax exemptions, to foreign licensors to acquire the needed technologies for its continued economic development. Accordingly, licensing technology from advanced nations has been, is, and will continue to be a key issue in South Korea's economic policies.

## THE SOUTH KOREAN INTELLECTUAL PROPERTY PROTECTION SYSTEM

South Korea's intellectual property law dates back to the early twentieth century, before Japan began its occupation of Korea in 1910.<sup>4</sup> During this period, Korea had a primitive intellectual property policy that was subsequently replaced by the Japanese with its own intellectual property system during its occupation from 1910 to 1945.<sup>5</sup> The Japanese intellectual property system itself was borrowed from the German system.<sup>6</sup>

In December 1961, South Korea, borrowing directly from Japan, significantly reformed its patent

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system. In particular, the reformed patent system included the Patent Act, Utility Model Act, and the Design Act. The original version of the current Trademark Act was established in November 1949. These four Acts collectively form the Korean Industrial Property Laws.

In 1987 and again in 1990, South Korea made significant steps in protecting intellectual property by passing major amendments to the Industrial Property Laws.<sup>7</sup> For example, before 1987, pharmaceutical companies could only patent the processes of manufacturing their products, not the products themselves.<sup>8</sup> As a result, Korean companies were able to patent processes for manufacturing drugs that were very similar to the drugs of foreign invention.<sup>9</sup> After the 1987 amendments, however, pharmaceutical products as well as processes enjoyed patent protection.<sup>10</sup>

On January 1, 1994, the most recent amendments to the Industrial Property Laws went into effect. Some major changes to the four acts included (1) cancelling the required submission of evidence when renewing trademark registrations, (2) providing a grace period for filing an application to renew trademark registrations, (3) granting a first right to file for a cancelled trademark to the winner of a cancellation action based on nonuse, (4) extending the life of a design right from eight to ten years, and (5) adding a compulsory licensing provision for unworked designs.<sup>11</sup>

In 1992 alone, the number of patent applications filed in South Korea equalled 31,073; utility model applications, 28,665; design applications, 22,948; and trademark applications, 45,124 — a total of 127,810 filings,<sup>12</sup> which ranked sixth in the world.<sup>13</sup> Patent and trademark filings from foreign applicants amounted to about 35.5% of the total.<sup>14</sup>

In addition to the Industrial Property Laws, South Korea enacted the Computer Program Protection Act in December 1986 as a special part of the Copyright Act to protect computer programs.<sup>15</sup> The Computer Program Protection Act went into effect on July 1, 1987, to provide 50

years of computer program protection for its creator from the date of creation.<sup>16</sup> Recently, the Ministry of Science and Technology (MOST) submitted to the South Korean National Assembly a bill with significant amendments to the Computer Program Protection Act of 1987.<sup>17</sup> Also, South Korea enacted the Semiconductor Chip Protection Act in 1992, which has been in force since September 1993. Under that act, it is unlawful to (1) reproduce a chip layout design, (2) manufacture semiconductor integrated circuits using the layout design, or (3) transfer the design or the manufactured circuit without authorization.<sup>18</sup>

Other major laws protecting intellectual property include the Unfair Competition Prevention Act (UPCA), the Commercial Code, and the Customs Act. The Unfair Competition Prevention Act was enacted on December 30, 1961, and subsequently amended in 1987 and 1992.<sup>19</sup> It sought to prevent the unfair practice of using trade names or trademarks of others widely known in South Korea, or the practice of infringing the trade secrets of others.<sup>20</sup> In 1992, responding to the criticisms of foreign licensors, the South Korean legislature amended the Unfair Competition Prevention Act to provide protection for trade secrets. The Commercial Code protects trade names, and the Customs Act prohibits the importation of infringing goods into South Korea.<sup>21</sup>

To solidify its growing reputation as a protector of intellectual property, South Korea became a member of major international organizations. South Korea joined the World Intellectual Property Organization (WIPO)<sup>22</sup> in 1979, the Paris Convention<sup>23</sup> in 1980, the Patent Cooperation Treaty (PCT)<sup>24</sup> in 1984, and the Budapest Treaty on the International Recognition of the Deposit of Microorganisms for the Purpose of Patent Procedure<sup>25</sup> in 1987. Also in 1987, South Korea joined the Universal Copyright Convention (UCC)<sup>26</sup> and the Geneva Phonogram Convention.<sup>27</sup> At present, Korea is moving toward joining the NICE Arrangement, an agreement concerning the international classification of goods and

services to which trademarks apply.

The South Korean intellectual property system is continuously evolving toward better protection, responding both to internal initiatives and to foreign pressures. For example, a 20-year patent protection for the patent system and a trademark system based on trademark color are planned in the near future.<sup>28</sup> Also, the Semiconductor Chip Protection Act is being amended to limit involuntary licensing to situations where domestic demand exists and to expand the right of compensation for patent owners and licensees for losses due to infringement.

South Korea is also moving toward better enforcement of the intellectual property rights (IPR). For example, the government designated the period from February through October 1993 as a "Special Enforcement Period" against IPR infringements.<sup>29</sup> During this period, special investigators cracked down on infringing products such as pirated computer software and video games, unauthorized sound recordings, and videocassette tapes, and the export of counterfeit footwear.<sup>30</sup> During this period, a total of 11,679 cases were investigated and 842 infringers were arrested.<sup>31</sup> The number of investigated cases in 1993 was an increase of over 120% from 1992, which represented 5,295 investigations and 326 arrests.<sup>32</sup> In 1994, the period from January through October was redesignated the "Special Enforcement Period."<sup>33</sup> Although such investigative efforts will not completely eradicate the piracy problems in South Korea, they show that the government has taken a much stronger position in protecting and enforcing intellectual property rights.

#### YESTERDAY: THE ORIGINS OF TECHNOLOGY LICENSES IN SOUTH KOREA

No sooner did Korea gain independence from Japan in 1945 than the Korean War came along to leave the South Korean economy in a total shambles. After the war, South Korea made economic development its highest priority under

the military leadership of President Park Jung Hee. To gain Japan's cooperation, President Park went about establishing diplomatic relations with Japan.<sup>34</sup>

In 1960, South Korea enacted the first law to regulate licensing, the Foreign Capital Inducement Promotion Act. The contents of the Foreign Capital Inducement Promotion Act closely resembled Japan's Foreign Capital Act of 1950.<sup>35</sup> In the Foreign Capital Inducement Promotion Act, "technology assistance agreements" were defined as a transfer of patent and other technology rights, use agreements, factory management assistance agreements, and other similar agreements specified by the Minister of Finance.<sup>36</sup> This definition of technology assistance agreements closely paralleled that of Japan's Foreign Capital Act.<sup>37</sup>

In 1966, the Foreign Capital Inducement Promotion Act was absorbed into the Foreign Capital Inducement Act.<sup>38</sup> Since its inception, this act has been the main legislation regulating foreign technology licenses. Under the act, foreign licensors were entitled to tax exemptions on income earned from royalty payments in Korea. In 1973, a revision to this act allowed all approved foreign licensors to enjoy a straight five-year tax exemption, with the possibility of additional three-year periods.<sup>39</sup> In 1983, the act was amended to cancel the additional three-year tax exemption provision, but the straight five-year tax exemption remained.<sup>40</sup>

From the enactment of the Foreign Capital Inducement Act in 1966 to the early 1980s, South Korea's economic development policy sought to encourage the importation of foreign technology. At the same time, however, the government carefully regulated the types of technology imported to ensure an orderly and controlled development.<sup>41</sup> Through its tight controls, the government wanted to protect its young industries from having to pay an inequitable amount of money to their more mature and economically powerful counterparts from the United States, Japan, and European countries.

A characteristic example of the

government's policy during this early period can be found in the "Guidelines for Authorization of Technology Inducement Contracts," issued in 1968 by the Economic Planning Board.<sup>42</sup> Under the 1968 guidelines, only four general types of foreign technology could be licensed to Korean companies: (1) technology that would result in the development of an overseas market for Korean goods and services and increase exports, (2) technology that was considered necessary for manufacturing parts in the machinery industry and for the development and mechanization of South Korea's heavy industries, (3) technology that would be more costly to develop domestically, and (4) technology that would increase production while reducing production cost.<sup>43</sup> Using these four criteria, the Economic Planning Board would reject technology license agreements, leaving little room for negotiation for the foreign applicants. Moreover, the Economic Planning Board traditionally disapproved nominal technology inducement agreements such as importation of raw materials or half-finished products, bare trademark licenses, and agreements that simply resulted in domestic sales.<sup>44</sup>

As another example of strict regulation of foreign technology licenses, in 1978 the government adopted a formal definition of "net sales value" for the purposes of determining royalties in license agreements.<sup>45</sup> In particular, the government defined net sales value as the gross sales value less 10 specified types of allowable deductions such as sales returns, rebates, commissions and discounts, advertising expenses, and indirect sales taxes such as value-added tax (VAT).<sup>46</sup> Although this definition greatly disadvantaged the foreign licensors, the government did not allow any room for the foreign licensors to negotiate the definition.<sup>47</sup> Such strict regulation by the government greatly improved the negotiation strength and strategy of the South Korean industries, which otherwise would not have had much bargaining power, to minimize the royalty payments.

As South Korean industries be-

came more mature and advanced in technology through the experiences of applying the imported technologies, their bargaining power began to increase. As a result, the incentives provided in the early versions of the Foreign Capital Inducement Act slowly disappeared and with them many of the protections afforded Korean industry. For example, after the cancellation of the additional three-year tax exemption provision in 1983, the Foreign Capital Inducement Act was again amended in 1986.<sup>48</sup> This time, the amendment granted bare *deregulation* trademark licenses for the first time. Before the 1986 amendment, trademark licenses were allowed only when accompanied by some form of technology or know-how.<sup>49</sup> However, the bare trademark licenses were possible only when the foreign licensor waived tax exemption completely.<sup>50</sup> Other types of licenses also lost tax exempt status from the 1986 amendment including licenses relating to the manufacture of footwear, textiles, bags, foods, and beverages.<sup>51</sup>

The South Korean government recognized that its industries had gained enough knowledge and experience in the latter part of the 1980s and thus provided less protection against the powerful industries of the foreign licensors. On September 12, 1987, the government issued Public Notice No. 87-14 through the Economic Planning Board, which outlined in detail the terms and conditions that would not be allowed in a technology license.<sup>52</sup> The Notice had given the foreign licensors a more definite position on what types of licenses the government would reject. Such definiteness in the government's position provided the foreign licensors with room to negotiate with the licensees, who by now had risen to a higher level, both economically and technologically.

From 1962 to 1976, as a result of South Korea's policy of simultaneously encouraging technology transfers while strictly controlling those transfers, a total of 752 technology inducement agreements were approved and entered into in Korea (65.7% from Japan and 21.8% from the United States).<sup>53</sup> In 1977

alone, South Korea exported US\$10 billion as a result of applying the imported technologies.<sup>54</sup> Between 1977 and 1981, the number of technology inducement agreements totaled 1,225 (51.5% from Japan and 24.7% from the United States), which represented a 62.9% increase from the previous 14 years.<sup>55</sup> The number of technology inducement agreements increased each year from 1981 and peaked in 1989 with a total of 763 agreements for that year.<sup>56</sup> In 1989 alone, South Korea exported US\$60.7 billion and almost US\$80 billion dollars in 1992, a performance placing it as the 12th largest exporting nation in the world.<sup>57</sup>

In January of 1981, 35 years after the enactment of Japan's antitrust law, Korea enacted the Monopoly Regulation and Fair Trade Act.<sup>58</sup> In July of 1981, under the Monopoly Regulation and Fair Trade Act, the Economic Planning Board published Decree No. 50, the first of a series of notices setting forth the scope and standards of unjust collaborative activities and unfair trade practices in international agreements. The contents of Decree No. 50 outlined certain terms and conditions that would not be allowed in agreements for licensing, joint ventures, import agents, long-term imports, and foreign currency loans. These terms and conditions resembled Japan's 1968 standards.<sup>59</sup> The scope and standards were subsequently amended in 1988, 1989, 1990, 1992, and 1993.<sup>60</sup> On March 25, 1993, the Economic Planning Board published the present standards — which turns our attention to the current status of licensing practices in South Korea.<sup>61</sup>

#### TODAY: A LOOK AT CURRENT PRACTICES IN SOUTH KOREA

Foreign technology inducement licenses are governed by the laws of the Foreign Capital Inducement Act and the Monopoly Regulation and Fair Trade Act. The Regulations on Technology Inducement<sup>62</sup> specifically applies to technology inducement license agreements under articles 24 and 25 of the Foreign Capital Inducement Act. Technology inducement license

inducements must also comply with the Fair Trade Commission Notice No. 93-6 under the provisions of article 32, paragraph 2 of the Monopoly Regulation and Fair Trade Act.

#### *General Overview of Technology Inducement in Korea*

In general, technology inducement agreements fall under one of two categories: agreements that (1) must be reported to the appropriate minister for review and approval under the Foreign Capital Inducement Act or (2) must comply with the Foreign Exchange Control Law.

**Category 1:** Agreements meeting the following conditions fall under the first category and must be reported to the appropriate ministry for review and approval:<sup>63</sup>

1. the term exceeds one year and the lump-sum licensing fee exceeds the equivalent of US\$300,000;
2. the term exceeds one year and the initial payment exceeds US\$50,000 and a running royalty exceeds 3% of the "net sales amount";<sup>64</sup>
3. the concerned technology of the Agreement is related to defense industries under Article 2 of the Special Measures Act Concerning the Defense Industry; or
4. the tax reduction or exemption is sought for those concerned technologies meeting the standards of Article 11 of the Regulations on Technology Inducement.

"Net sales amount" is defined as the total sales proceeds of the contracted products sold or disposed of by the licensee in normal, bona fide commercial transactions, less the following items:<sup>65</sup>

1. Sales discounts (including sales rebates).
2. Sales returns.
3. Indirect taxes, insurance fees, packaging expense, freight and delivery expenses, sales commissions, advertising expenses, and installation expenses incurred with regard to the sale of goods.
4. Cost, insurance and freight (CIF) price, import duties and taxes, and fees on goods manufactured by the licensor in the event that they are used as raw materials.

When parties amend an existing technology agreement, they should compute the contract period, licensing fees, and/or royalties by adding the contract period, licensing fees, and/or royalties from both the

original agreement and the amended agreement.<sup>66</sup>

**Category 2:** From June 1, 1994, the Foreign Exchange Control Regulation (FECR) no longer requires a certification of a technology license agreement. For technology license agreements other than those requiring approvals from the relevant ministries, only a certification of the licensing fee payment is required.<sup>67</sup> Hence, the second category does not require government approvals of agreements. The agreements under this category need only meet the Foreign Exchange Control Regulation, which requires that a class "A" bank (a foreign exchange bank) certify the licensing fee payment.

Before June 1, 1994, however, the Foreign Exchange Control Regulation required a certification of an agreement, in which the foreign exchange bank examines and approves the agreement, from a class A foreign exchange bank for agreements having the following conditions:

1. For terms of greater than one year:
  - a. A lump-sum licensing fee of less than US\$300,000; or
  - b. An initial payment of less than US\$50,000 and/or a running royalty of less than 3% of the "net sales amount";
2. Terms of less than one year and a lump-sum licensing fee of less than US\$100,000 only needed a certification of payment.<sup>68</sup>

#### *Technology Agreement Under the Foreign Capital Inducement Act*

After a technology offerer (licensor) and a technology offeree (licensee) form a technology inducement agreement that falls under the Foreign Capital Inducement Act (Category 1), the parties must report the agreement to the responsible ministry for review and approval. Unless the minister makes any objections and orders additional information or amendments to the agreement within 10 days<sup>69</sup> after submitting the report, the agreement is considered to be automatically approved and effective. Once the relevant minister approves the agreement and the licensee receives the confirmation of acceptance, the

licensee may make appropriate payments to the licensor through a foreign exchange bank.

When reporting the agreement to the relevant minister, the parties must include the following documents: (1) an application for reporting the Technology Inducement Agreement (a government form), (2) a copy of the Technology Inducement Agreement (if the Agreement is not in Korean, a Korean translation must be attached), (3) documents certifying the nationality of the technology offerer, and (4) power of attorney (when the parties are represented by proxy).<sup>70</sup>

The responsible minister will not approve a technology inducement agreement if (1) the main purpose is only to utilize a monopoly sale right, (2) the main purpose is only to sell raw materials or parts, or (3) the agreement is improper under the Foreign Capital Inducement Act, Monopoly Regulation and Fair Trade Act, and other relevant laws and regulations.<sup>71</sup>

It is important to note that South Korea discloses the contents of approved agreements to the public unless the party reporting the agreement to the responsible minister requests that the contents of the agreement not be disclosed.<sup>72</sup> Upon request, the minister will determine whether nondisclosure is necessary based on such considerations as business secrets contained in the agreement and possibility of disputes arising.<sup>73</sup>

#### *Technology Agreement Under the Foreign Exchange Control Law*

After a technology offerer (licensor) and a technology offeree (licensee) form a technology inducement agreement that falls under the Foreign Exchange Control Law (Category 2), the parties need only obtain a certification of the payment from a class "A" bank in Korea. Once the payment is certified, the licensee may make the certified payments to the licensor.

Before June 1, 1994, however, the parties were required to submit the agreement to a class "A" bank for certification.<sup>74</sup> The government's removal of the agreement certification process is yet another evidence of the government's growing liberal

attitude toward deregulation and better environment for technology inducement.

The rules under the Foreign Exchange Control Law treat the transfer of royalties and licensing fees in a way similar to profit and dividend remittances. In particular, for approved foreign investments, or technology inducement agreements in this case, the government allows unlimited remittance of royalties and licensing fees at the prevailing exchange rate at the time of transfer.<sup>75</sup> Since the technology inducement agreement either has been approved already by the relevant minister under the Foreign Capital Inducement Act (Category 1) or need not be approved at all (Category 2), such remittances are guaranteed by the government and need only be certified by a foreign exchange bank.<sup>76</sup>

#### *Technology Inducement Under the Engineering Technology Promotion Law*

To cover services of advanced technology that simply does not exist in South Korea and is not domestically feasible, the legislature enacted the Engineering Technology Promotion Law.<sup>77</sup> Before entering into the agreement, the Minister of Science and Technology must approve the service technology inducement. Accordingly, unlike the procedures under the Foreign Capital Inducement Act, the service technology inducement transaction under the Engineering Technology Promotion Law must be submitted to the Ministry of Science and Technology 30 days before the start of negotiations on the agreement.<sup>78</sup> Once the Minister of Science and Technology approves the transaction, the licensor and licensee may form the agreement. Within 30 days of entering into agreement, the parties must report the agreement back to the Ministry of Science and Technology. After reporting the agreement to the minister, the technology licensee may make the appropriate payment to the technology licensor through a foreign exchange bank.<sup>79</sup>

When reporting the agreement to the Ministry of Science and Technology, the parties must submit the following documents: (1) an

application for reporting the engineering (service) technology inducement agreement (a government form), (2) the engineering (service) technology inducement agreement (the original and a copy in Korean), (3) power of attorney (when the parties are represented by proxy), and (4) documents certifying the nationality of the technology offerer.<sup>80</sup>

#### *Reporting Technology Inducement Agreements to the Economic Planning Board*

Technology inducement agreements meeting the Foreign Capital Inducement Act and the Foreign Exchange Control Law must also be reported to the Economic Planning Board within 30 days of entering into the Agreement, if the following conditions apply:<sup>81</sup>

The agreement spans more than three years and includes either: (1) A royalty of greater than US\$100,000 or (2) A running royalty greater than 2% of the "net sales amount"<sup>82</sup> (when an existing agreement is to be amended, the change in the duration and royalty amounts should be added to the original agreement).

The parties must submit the following documents: (1) technology inducement agreement report (a government form), (2) the agreement (a copy in Korean), and (3) a summary of the business (if necessary).<sup>83</sup> The parties must also submit these documents when the existing agreement is being amended.<sup>84</sup>

The Economic Planning Board, a part of the Fair Trade Commission, determines whether the agreement includes unjust collaborative activities or unfair trade practices. The Economic Planning Board reviews the agreement for any terms or conditions that are prohibited by the Monopoly Regulation and Fair Trade Act.

The Monopoly Regulation and Fair Trade Act governs competition and market practices in South Korea and focuses on the organization and structure of companies instead of prices.<sup>85</sup> The act has traditionally imposed and still does impose (although to a lesser extent) strict limitations on international agreements including technology

inducement agreements. For example, the current act forbids technology inducement agreements with 100% foreign-owned companies requiring the licensee to purchase raw materials, parts, equipments, and related materials from either the technology licensor or anyone designated by the licensor.<sup>86</sup> This is one of the most common reasons for a technology agreement to be rejected by the government. Parties may avoid such forbidden requirements when forming the license agreement by referring to guidelines issued by the Economic Planning Board.

The Economic Planning Board follows its guidelines in the Fair Trade Commission Notice No. 93-6, which is the current version.<sup>87</sup> The Economic Planning Board publishes the Fair Trade Commission Notices periodically to provide guidelines on the kinds of unacceptable terms and conditions in an international agreement. Hence, the Fair Trade Commission Notices provide some predictability on the government approvals.

Prior to April 1, 1994, the Fair Trade Commission Notice applied to the following types of agreements: (1) Technology Inducement Agreements, (2) Copyright Inducement Agreements, (3) Import Agent Agreements, (4) Loan Agreements, (5) Joint Venture Agreements, and (6) Technical Service Agreements.<sup>88</sup> By a recent amendment, however, beginning April 1, 1994, the following four categories of agreements need not be reported to the Economic Planning Board: (1) Loan Agreements, (2) Joint Venture Agreements, (3) Technical Service Agreements, and (4) Copyright License Agreements (but only for publications, sound recordings, and video).<sup>89</sup>

According to the Fair Trade Commission Notice No. 93-6, a Technology Inducement Agreement (or a Copyright Inducement Agreement) containing a term or condition meeting any of the following are considered to be an unfair trade practice and will be rejected:<sup>90</sup>

**A. Restrictions on acquiring raw materials and parts:**

Where purchase of raw materials, parts, equipments, and related

materials required for the manufacture of products using the technology furnished by the licensor is unreasonably restricted to the licensor or any person designated by the licensor.

**B. Geographical restriction:**

Unreasonable geographical restrictions on the licensee's right to sell licensed products. However, a geographical restriction is not unreasonable if the licensor has already registered the technology or is currently selling products from the technology in the territory or if the licensor has granted an exclusive right to sell the products.

**C. Restrictions on sales method, quantity, and price:**

Unreasonable restriction on the licensee's potential buyers, sales quantity, or sales method, or specifying sale (resale) price.

**D. Restrictions on dealings on competitive products or technology:**

During or after the licensing period, unreasonable restrictions on the licensee's right to deal in or use competitive or similar products and technology.

**E. Restrictions on usage:**

When the industrial property right or right to incorporeal chattels has ceased to exist or after the technical information (know-how) has become public knowledge, unreasonable restrictions on using the licensed technology or imposing royalties.

**F. Imposing unreasonable royalty and compulsory licensing of related technology:**

During the licensing period, imposing royalty on products other than the products manufactured or sold using the licensed technology or unreasonably requiring the licensing or many different technologies.

**G. Restrictions on technology improvement and relinquishing improved technology:**

Unreasonable restriction on technology improvements by the licensee or unilaterally requiring the licensee to furnish the licensor with the improved technology.

**H. Demanding advertisements on the licensed product:**

Arranging for a large-scale expenditure of product advertisement and promotion and forcing the

licensee to pay for such expenditure.

**I. Unilateral decision on royalty payment, termination of agreement, arbitral organization, and governing law:**

Where the royalty payment methods and changes, termination of agreement, or arbitral organization and governing law for dispute resolution are unreasonably disadvantageous to one party.

**J. Avoiding responsibility for the technology furnished by the licensor:**

Prohibiting the licensee from arguing the validity of the industrial property right or right to incorporeal chattels or whether the technical information (know-how) is public knowledge, or the licensor is unreasonably free from responsibility where the licensed technology infringes a third party's right.

Beginning April 1, 1994, the following terms and conditions receive higher scrutiny by the Economic Planning Board during the examination process: "Restrictions on dealing with businesses and products of competitive technology" (see D above), "Avoiding responsibility by the licensor" (see J above), and "Prohibiting the licensee from disputing the validity of the intellectual property right" (see J above).<sup>91</sup> Also, beginning April 1, 1994, the following terms and conditions are exempt from examination by the Economic Planning Board: "Technology usage restriction after termination of agreement" (see E above) and "Requirement of tax responsibility on the licensee."<sup>92</sup>

For Import Agent Agreements, the following terms and conditions are considered unfair trade practices:<sup>93</sup>

A. Unreasonably restricting the handling of any product that is competitive with the contract products during or after the expiration of the agreement.

B. Unreasonably requiring the import agent to purchase the parts and accessories from a foreign business or any person designated by a foreign business.

C. When the sale of the contract product comes under the following:

1. Unreasonably restricting the

geographical regions where the contract product may be exported (however, this excludes geographical regions where a foreign business already has an agent, a branch or a sales office);

2. Unreasonably restricting the domestic sales territory or the potential buyers of the import agent;
3. Unreasonably restricting the sales quantity or forcing the import agent to achieve an excessive quantity of sales.

D. With respect to the resale of the contract product, unreasonably restricting the resale window of the contract product or the resale price at each stage of the business.

E. Forcing the import agent to pay for advertising and promotion expenses where the expense is excessively set.

F. Where the royalty payment methods and changes, termination of agreement, or arbitral organization and governing law for dispute resolution is unreasonably disadvantageous to one party.

#### *Tax Exemption or Reduction on Technology Inducement Agreements*

Before discussing tax exemption or reduction under the Foreign Capital Inducement Act, we should present a general overview of the taxation method for technology licensing fees if no tax exemption or reduction is allowed.

A foreign technology licensor's responsibility on tax payment relates to "rent income" generated from Korea.<sup>94</sup> In particular, the licensor's responsibility is limited to domestic (Korea) withholding of rent income.<sup>95</sup> There are two categories for licensors having this responsibility: (1) a licensor with a "fixed business certificate" and (2) a licensor without a "fixed business certificate."<sup>96</sup> For those foreign technology licensors having a branch or an office in Korea and a fixed business certificate, the foreign technology licensor, on its own, must report the aggregate of the rent and other domestic withholding income just as any domestic corporations would have to do.<sup>97</sup> For those foreign technology licensors having a branch or an office in Korea but

no fixed business certificate, the Korean licensee should pay (1) the licensor's income tax or corporate tax by withholding 15%<sup>98</sup> of the total licensing fee and (2) the value added tax for the foreign licensor.<sup>99</sup> In this instance, if the foreign licensor's resident branch office has entered into a tax agreement with Korea, then the tax rate as specified in the tax agreement will be withheld instead of the standard 15%<sup>100</sup> withholding rate.<sup>101</sup>

**Tax Exemption or Reduction for Products:** The Foreign Capital Inducement Act allows five years of income and corporate tax exemption to the foreign licensors for providing technologies meeting the standards designated by the President beginning from the first payment date.<sup>102</sup> A "technology" meeting the standards designated by the President is defined as technology that is vital to the Korean economy and one that is highly advanced such that it cannot be independently developed in Korea.<sup>103</sup> The Foreign Capital Project Review Committee examines the technology covered in the agreement to determine whether it meets the required standards.<sup>104</sup>

The Regulations on Technology Inducement, issued by the Ministry of Finance, set forth the required standards for technologies eligible for tax exemption. To receive tax exemption, the technology being induced must meet all the following requirements: (1) technology directly necessary for or concerned with the manufacture of certain specified products, (2) technology having a significant effect both technological and economically on the nation and having a significant contribution to the advancement of the industrial structure and enhancement of the economy, (3) technology as discussed in item (1) that is necessary in the manufacturing process to be conducted domestically, and (4) when technology for producing the same product has already been introduced, the introduction of that technology should not have occurred more than four years from the date of the initial introduction of the former technology (which means the date of the initial foreign investment concerning the former tech-

nology, acceptance or date of acceptance notification of the former technology inducement agreement); this last requirement does not apply, however, if the latter technology is significantly more advanced than the former technology for manufacturing processes and contains newer technology.<sup>105</sup> In addition, an induced technology may receive tax exempt status if the Minister of Finance approves the technology after consultation with the relevant minister, the Minister of Science and Technology, and the Minister of Home Affairs.<sup>106</sup>

Moreover, a foreign technology licensor eligible for tax exemption or reduction for introducing advanced technology is also eligible for short-term offshore financing for up to three years.<sup>107</sup> Domestic companies, however, are not eligible for that benefit.<sup>108</sup> The money from the financing may be used for importing facility goods and raw materials<sup>109</sup> or for repaying any debts to domestic financial institutions of up to three-quarters (75%)<sup>110</sup> of the foreign investment amount.<sup>111</sup> Foreign technology licensors may receive short-term offshore financing from designated foreign exchange banks after the Bank of Korea approves the financing.<sup>112</sup>

These financial benefits will expand in the near future. For example, from 1994 to 1995, the financing benefit will be available to general manufacturing companies in Korea that have foreign investors, and from 1996 to 1997 commercial loans will be available.<sup>113</sup> Also, as of June 1994, the Korean government is reviewing eligibility of joint ventures with more than 50% of foreign equity.<sup>114</sup>

**Tax Exemption or Reduction for Services:** Advanced technology businesses in the service fields receive tax exemptions or reductions by meeting the following requirements (similar to the requirements for the manufacturing fields above): (1) the business directly provides technology service to the manufacturing businesses eligible for tax exemption or reduction, (2) when the technology service is difficult to develop independently in Korea and has a significant effect both

technologically and economically, and (3) when the same technology service has already been introduced, the introduction of that service should not have occurred more than two years from the date of the initial introduction of the former service (which means the date of the initial foreign investment concerning the former service, acceptance or date of acceptance notification of the former technology inducement agreement); this last requirement does not, however, apply, if the latter technology service is significantly more advanced than the former technology service and contains newer technology.<sup>115</sup> In addition, an induced technology service may receive tax exempt status if the Minister of Finance approves the technology after consultation with the relevant minister, the Minister of Science and Technology, and the Minister of Home Affairs.<sup>116</sup>

**Free Export Zones:** Finally, under the recently established Free Export Zone Establishment Act, foreign technology licensors are eligible for tax exemption or reduction if the factories of the businesses are established in the "free export zones" of Masan or Iri.<sup>117</sup> These zones provide several advantages such as duty-free status on all imported materials for use in export products.<sup>118</sup> Factories may be eligible for locating in the zones if the following conditions are met: (1) the business must manufacture, process, or assemble export goods, (2) the business must have foreign participation with preferences in joint ventures with South Korean companies, and (3) the business must be highly technical and labor intensive.<sup>119</sup>

**Procedures for Tax Relief:** A foreign technology licensor seeking tax exemption or reduction must submit an Application for Tax Exemption of Income Tax to the Ministry of Finance. In particular, the Regulations on Technology Inducement provide under Article 15, Paragraph 3 of the Foreign Capital Inducement Rules, that the following documents serve as evidence of advanced technology eligible for tax exemption or reduction and should

be attached to the Application for Tax Exemption of Income Tax: (1) documents evaluating or providing evidence that the concerned technology or product has passed an inspection by an authorized institution, (2) documents concerning patents and industrial property rights of the concerned technology, (3) documents related to the development of the concerned technology (such as research development organization, development personnel, expenses incurred for development, time required for development), and (4) other documents providing evidence of advanced status of the technology.<sup>120</sup>

The foreign licensor should submit the Application for Tax Exemption of Income Tax to the Ministry of Finance together with the documents confirming eligibility for tax exemption or reduction before the expiration of the tax year for income or corporate tax in which the tax year includes the date of business commencement.<sup>121</sup> When the application is received, the Minister of Finance will consult with the relevant minister of the technology inducement agreement, the Minister of Home Affairs, and the Minister of Science and Technology.<sup>122</sup> The Foreign Capital Project Review Committee will also examine the application and report its findings to the Minister of Finance. Within 30 days of receiving the application, the Minister of Finance will decide whether to grant the tax exemption or reduction.<sup>123</sup> Before June 1, 1994, the Minister of Finance had 60 days to decide whether to grant the tax exemption or reduction.<sup>124</sup> Hence, the government reduced the time needed to grant tax exemption or reduction by half, which is a significant decrease and further evidence of the Korean government's attempt to provide a better environment for technology inducement.

Then a foreign technology licensor becomes eligible for tax exemption, the tax exemption period lasts five years starting from the date of the first payment of the licensing fee.<sup>125</sup> Beginning from 1995, a 50% tax reduction for three years will follow the five-year period.<sup>126</sup> Also, according to the technology inducement agreement, foreign employees

dispatched to Korea as a result of the agreement will also be eligible for tax exemptions on earned income for the same period.<sup>127</sup>

## TOMORROW: A CRYSTAL BALL LOOK AT FUTURE LICENSING PRACTICES

To predict the future of South Korea's practices in foreign technology licensing, one need only look at Japan's past policies and compare them with the experience in Korea. For example, before becoming an advanced nation, Japan sought and imported foreign technology through incentives such as tax exemption and reduction. Yet Japan's rules and regulations were strict to protect Japanese companies from unfair conditions demanded by the foreign licensors. However, once Japan acquired the needed technologies and no longer required foreign technologies, its policies changed. In particular, tax incentives were reduced or eliminated and rules and regulations governing technology licenses became less protective of the domestic companies. This trend parallels South Korea's policy changes during the latter portion of the 1980s in which tax incentives for low-level technology products were eliminated and guidelines on restrictive terms in technology agreements became more precise. This provided foreign licensors with greater certainty on whether the government would approve a technology agreement.

Although South Korea's urgency for obtaining advanced technologies, domestically and from abroad, is clearly shown by its current and near-future economic policies and various national projects, South Korea's past has shown that foreign technology investors will be adversely affected as the country moves to a higher technological level. For example, in the early 1980s, South Korea provided tax incentives to foreign licensors in the area of footwear, textiles, bags, foods, and beverages.<sup>128</sup> However, as South Korea's technology level rose, foreign technologies were not needed to manufacture those products and the tax incentives were removed.<sup>129</sup>

It is difficult to predict exactly

which types of technologies will be removed from tax exemption or reduction considerations in the future. Certainly, those technologies that are among the first deemed "obsolete" in terms of technology inducement will be the first to lose their tax exemption or reduction status through legislative changes. One way of identifying the desired technologies is to monitor the types of technologies given the greatest governmental concern, such as those covered by South Korea's national projects.

In the near future, South Korea's economic policy will depend considerably on the advanced technologies from foreign advanced nations. The new Administration's Five-Year Development Plan announced in July 1993 will orchestrate the ongoing changes needed for South Korea to open itself further to more foreign investment. To this effect, technology transfers into South Korea are being deregulated to allow easier access and more concrete guidelines on what is acceptable and not acceptable in technology inducement agreements. This trend will continue for at least the next three to four years in order to provide needed incentives for foreign high-tech companies to invest their technologies in South Korea. Moreover, this trend is likely to continue even beyond the duration of the Five-Year Development Plan as evidenced by Korea's launching of national projects such as the Highly Advanced National (HAN) R&D Project in 1992, which will extend to the year 2001.

The HAN Project's goal is to "obtain core technologies in the strategic areas where Korea has the capacity to compete with advanced countries based on its industrial foundation."<sup>130</sup> To this end, South Korea will employ various domestic R&D members such as universities, industries, and government-supported research institutes.<sup>131</sup> However, for technologies where South Korea's capability alone is not enough, foreign assistance will be actively pursued.<sup>132</sup> Other national projects include the Strategic National R&D Project, the Government-supported R&D Institute Project, and the International Coopera-

tive Project. Of these in particular, the Strategic National R&D Project concerns technologies in biotechnology, computer software, aerospace, nuclear energy, oceanography, multi-disciplines (such as fuzzy and neuro chip technologies, artificial intelligence, and superconductivity), industry, and information and telecommunication.<sup>133</sup>

South Korea's goal is not to compete in every industrial and technological field of the advanced nations but to encourage technological development through projects such as the HAN project, which will go a long way toward upgrading the nation's R&D capability to the level of the advanced countries by the year 2001.<sup>134</sup>

## CONCLUSION

South Korea's rise from almost total devastation to an economic miracle may be somewhat of a *deja vu* for many developed nations that have seen Japan rise from almost nothing to a powerful economic force in the world. This success, however, is no coincidence. As long as South Korea is willing to provide tempting incentives, the developed nations will provide the necessary seeds on an already enriched and eager soil that has been called the "Land of the Morning Calm."

But that calm terrain can suddenly shift. South Korea's laws on technology transfer licensing and intellectual property can change, sometimes from year to year. For example, laws on the types of technologies eligible for tax exemption or reduction are constantly being amended, depending on which technologies become obsolete in terms of technology transfer and which technologies become more urgent for the development of the economy. In terms of intellectual property, laws such as the Semiconductor Chip Protection Act and the Computer Program Protection Act (a spin-off of the Copyright Protection Act), should attract the attention of practitioners because these laws were enacted only recently and are undergoing revisions. Such rapid changes and enactment of new laws protecting

and enforcing intellectual property show the seriousness and urgency of South Korea's efforts to move away from its former labor-intensive industry, plagued by high labor cost, to a technology-intensive industry.

As a result, opportunity abounds in the Land of the Morning Calm.

## NOTES

1. Japan itself became a developed nation after using this "catalyst" method of economic development.

2. T.H. Lee, "Korea Licensing — Past, Future," 24 *les Nouvelles*, No. 1, 11 (March 1989).

3. South Korea will also rely considerably on its own research and development, funds for which have been increasing steadily each year. For example, the total R&D investment for 1992 was US\$230 million; for 1993, US\$309 million, and for 1994, US\$414 million (estimate).

4. During this period, Korea was not a divided nation between North and South. The division as well as independence came at the end of World War II when the Japanese surrendered to the United States.

5. Joe Leibowitz and Seunghoon Lee, *Intellectual Property Regime of Korea*, Intellectual Property Protection in Asia, Butterworth Legal Publishers, p. 6-4, 1991.

6. *Id.*

7. Jung H. Lee, "Joint Development of Technology Under Korean Law," The Second Korean/U.S. Forum on Science and Technology Cooperation, Washington, D.C., May 25, 1994.

8. Joe Leibowitz and Seunghoon Lee, *supra* note 5, at 6-5.

9. *Id.*

10. By a separate agreement between the United States and Korea, applicants from the United States only were granted retroactive product patent protection for applications pending in Korea as of July 1, 1987, which brought much criticism from European applicants. *Id.*

11. "Investing, Licensing & Trading Conditions Abroad — South Korea," The Economic Intelligence Unit, 17, 1993.

12. Y.S. Chang, *Patent and Trademark License Agreement Theory*, 24 (1994).

13. *Id.*

14. *Id.*

15. Jung H. Lee, *supra* note 7, at 5.

16. *Id.*

17. Some major changes proposed include (1) clarifying the employer's ownership of a computer program created by an employee during the scope of his employment, (2) prohibiting a purchaser of a computer program from running a rental business for profit with the purchased program, (3) adding a provision making it unlawful for anyone to knowingly use an unauthorized copy of a computer program for business purposes, (4) establishing a Mediation Committee to mediate disputes relating to rights conferred under the Act, and (5) increasing the penalties for infringement from 3 million won (US\$4,000) to 30 million won (US\$40,000).

18. The Economic Intelligence Unit, *supra* note 11, at 16-17.

19. The 1991 amendment added trade secret protection.

20. Unfair Competition Prevention Act, chapter I, article 1 (1991).

21. Jung H. Lee, *supra* note 7, at 4.

22. WIPO administers various treaties and conventions such as the Paris Convention and the Patent Cooperation Treaty.
23. The Paris Convention established the Paris Union for the Protection of Industrial Property including patents, utility models, industrial designs, trademarks, service marks, trade names, and indications of origin.
24. The Patent Cooperation Treaty established the International Patent Cooperation Union for the filing, searching, and examining of patents and patent applications.
25. This treaty created the International Recognition of the Deposit of Microorganisms for the Purpose of Patent Procedure.
26. The UCC specifies general terms for copyright protection in member states, including protection of foreign nationals.
27. This Convention protects producers of phonograms against unauthorized duplication of their phonograms.
28. Y.S. Chang, *supra* note 12, at 24; Korea's "New Economy": *Internationalization & Deregulation*, Ministry of Trade, Industry & Energy, December 1993.
29. Young Shik Bae, "Korean Government's Policy on IPR Protection," The Second Korean/U.S. Forum on Science and Technology Cooperation, Washington, D.C., May 25, 1994.
30. *Id.*
31. *Id.*
32. *Id.*
33. *Id.*
34. Y.S. Chang, *supra* note 12, at 22.
35. *Id.* at 63.
36. *Id.*
37. *Id.*
38. *Id.*
39. T.H. Lee, *supra* note 2, at 11.
40. *Id.*
41. *Id.*
42. *Id.* The Economic Planning Board was in charge of regulating and examining the foreign technology inducement agreements.
43. *Id.*
44. Byong Ho Lee, *Patent, Trademark & Licensing in Korea*, Central Patent and Law Firm, 170-171, 1978.
45. *Id.*
46. *Id.*
47. *Id.*
48. *Id.*
49. *Id.*
50. *Id.*
51. *Id.*
52. *Id.*
53. Y.S. Chang, *supra* note 12, at 33.
54. *Id.*
55. *Id.*
56. *Id.* at 22.
57. *Id.* at 23.
58. Depending on the translation, this act is sometimes referred as "Antimonopoly and Fair Trade Act."
59. *Id.* at 64.
60. *Id.*
61. The Fair Trade Commission Notice No. 93-6 (March 1993).
62. The Regulations on Technology Inducement, Ministry of Finance Notification No. 93-4 (March 1993) (hereinafter Regulations on Technology Inducement).
63. Regulations on Technology Inducement, Article 4, Paragraph 1 (March 1993).
64. Before an amendment in 1993, the conditions were (1) a term exceeding one year and a lump-sum licensing fee exceeding the equivalent of US\$100,000, (2) a term exceeding one year and an initial payment exceeding US\$50,000 and/or a running royalty exceeding 2% of the "net sales amount" or (3) the concerned technology of the Agreement related to the defense industries under Article 2 of the Special Measures Act Concerning the Defense Industry. Regulations on Technology Inducement, Article 4, Paragraph 1 (January 1992).
65. Regulations on Technology Inducement, Article 5 (March 1993).
66. Regulations on Technology Inducement, Article 4, Paragraph 2 (March 1993).
67. *The Foreign Investment System in Korea*, 18, Ministry of Finance, June 1994.
68. Small and Medium Industry Promotion Corporation, Center For Foreign Investment Service, *Foreign Investment and Technology Inducement Affairs*, 247-48 (2d rev. ed. December 1993) (hereinafter Foreign Investment Affairs).
69. On June 1, 1994, the Ministry of Finance amended the time for deciding whether to approve a technology agreement from 20 days to 10 days. *The Foreign Investment System in Korea*, *supra* note 67, at 17.
70. Small and Medium Industry Promotion Corporation, Center for Foreign Investment Service, *Technology Inducement Guide*, 6, August 1994 (hereinafter Technology Inducement Guide).
71. *Id.* at 7.
72. Regulations on Technology Inducement, Article 9, Paragraph 3 (March 1993).
73. *Id.*
74. The parties needed to submit the following documents under the previous rules: (1) An application for reporting the Technology Inducement Agreement (a government form) (2) a copy of the Industrial Property Right Transfer Agreement (Service Agreement), (3) power of attorney (when the parties are represented by proxy), and (4) administrative card for technology inducement agreement certification. *Foreign Investment Affairs*, *supra* note 68, at 246-47.
75. The Economic Intelligence Unit, *supra* note 11, at 23.
76. *Id.*
77. *Foreign Investment Affairs*, *supra* note 68, at 248.
78. *Id.*
79. *Id.*
80. *Id.*
81. Monopoly Regulation and Fair Trade Act, Article 33.
82. See note 65, *supra*, for the definition of "net sales amount."
83. *Technology Inducement Guide*, *supra* note 70, at 8.
84. *Id.*
85. The Economic Intelligence Unit, *supra* note 11, at 21.
86. *Id.*
87. Monopoly Regulation and Fair Trade Act, Article 32, Paragraph 2.
88. From The Fair Trade Statistical Data issued by the Economic Planning Board, March 1994.
89. *Id.*
90. Fair Trade Commission Notice No. 93-6, Articles 3 and 4 (March 1993).
91. *Id.*
92. *Id.*
93. The Fair Trade Commission Notice No. 93-6, Article 5 (March 1993).
94. *Foreign Investment Affairs*, *supra* note 68, at 258.
95. *Id.*
96. *Id.*
97. *Id.*
98. Revised in January 1994, the Korean Corporate Tax Law reduced the tax rate from 25% to 15%.
99. *A New Beginning for Better Foreign Investment Environment in Korea*, Ministry of Finance, 60, 1994 (hereinafter A New Beginning for Better Foreign Investment).
100. Revised in January 1994, the Korean Corporate Tax Law reduced the tax rate from 25% to 15%.
101. *A New Beginning for Better Foreign Investment*, *supra* note 99.
102. Foreign Capital Inducement Act, Article 24, Paragraph 1 (March 1993).
103. *Id.*
104. *Id.*
105. Regulations on Technology Inducement, Article 11 (March 1993).
106. *The Foreign Investment System in Korea*, *supra* note 67, at 20.
107. *Investment Guide to Korea*, 39, October 1993.
108. *Id.* at 40.
109. *Id.* at 39.
110. This figure was changed from 50% in 1993 to 75% from June 1994.
111. *A New Beginning for Better Foreign Investment*, *supra* note 99, at 15.
112. *Investment Guide to Korea*, *supra* note 107, at 40.
113. *Id.*
114. *A New Beginning for Better Foreign Investment*, *supra* note 99, at 15.
115. *Investment Guide to Korea*, *supra* note 107, at 34.
116. *The Foreign Investment System in Korea*, *supra* note 67, at 20.
117. Masan is in the South Kyung Sang Province and about 60 kilometers west of Pusan, which is also in the Kyung Sang Province. Iri is in the North Chulla Province and near Kunsan.
118. The Economic Intelligence Unit, *supra* note 11, at 35.
119. *Id.*
120. The Regulations on Technology Inducement, Article 12, Paragraph 1 (March 1993).
121. *Investment Guide to Korea*, *supra* note 107; *The Foreign Investment System in Korea*, *supra* note 67, at 21.
122. *Investment Guide to Korea*, *supra* note 107.
123. *The Foreign Investment System in Korea*, *supra* note 73, at 22.
124. *Investment Guide to Korea*, *supra* note 107.
125. *Foreign Investment Affairs*, *supra* note 68, at 259.
126. *A New Beginning for Better Foreign Investment*, *supra* note 99.
127. *Id.*
128. T.H. Lee, *supra* note 2, at 12.
129. *Id.*
130. *Science and Technology in Korea*, Ministry of Science and Technology, Republic of Korea, 24-25, 1994.
131. *Id.*
132. *Id.*
133. *Id.* at 26-31.
134. *Id.* at 23-24.