

U.S. Justice Department Announces China Trade Secret Initiative

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In response to rapidly increasing Chinese economic espionage against the United States, on November 1, 2018, now-former United States Attorney General, Jeff Sessions, announced that the United States Department of Justice has ordered the creation of a China Initiative to combat the economic espionage perpetrated by Chinese actors. This Initiative will be led by Assistant Attorney General John Demers, who heads the Department of Justice's National Security Division, as well as a senior FBI executive, five United States Attorneys, and several other Department of Justice leaders and officials.

One of the primary components of the China Initiative will be to identify trade secret theft cases, provide adequate resources to investigate these cases, and will work to resolve them timely. Another component of the China Initiative is that the Department of Justice will develop an enforcement strategy concerning the people who are coopted by Chinese individuals and companies into transferring trade secrets in contravention of the interests of the United States.

When announcing the initiative, Attorney General Sessions noted that the Department of Justice is currently prosecuting five cases in which defendants stole or attempted to steal trade secrets for the benefit of the Chinese government and he also announced an indictment in a similar case involving alleged economic espionage by a Chinese state-owned company. He further explained that the Department of Justice will continue to file criminal charges against wrongdoers and will seek to extradite criminals to the United States to face prosecution. He pronounced: "We will enforce our laws—and we will protect America's national interests."

TIP: Chinese companies and individuals should be aware that the United States government is committed to using its long-arm jurisdiction to bring cases in the U.S. to protect valuable trade secrets and anyone that benefits from the misappropriation of American trade secrets may face civil and/or criminal liability.

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Author

Steven Grimes

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Steven Grimes

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