

Regulatory Convergence of Trade Secret Licensing Agreements in Indonesia Through a Comparative Study of Taiwan and the United States

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ABSTRACT

The protection of trade secrets plays a vital role in safeguarding a nation's competitive edge, particularly amid globalization and economic integration. Indonesia has enacted a legal basis through Law No. 30 of 2000; however, its practical enforcement still encounters obstacles related to legal certainty, law enforcement, and procedural consistency. This research examines the protection of trade secrets in Indonesia by comparing it with Taiwan and the United States, while also exploring the possible adoption of best practices to enhance national competitiveness. The study employs a normative juridical method combined with a comparative approach and regulatory analysis, relying on literature reviews of legislation, international instruments, and relevant scholarly works. The findings suggest that incorporating best practices—such as preliminary injunctions, whistleblower immunity, stricter sanctions, and improved inter-agency collaboration—could significantly strengthen trade secret protection in Indonesia. Recommendations are directed toward the Directorate General of Intellectual Property (DGIP), the Ministry of Trade, and the Supreme Court to develop technical guidelines, establish a dedicated task force, and provide information security training for businesses, thereby aligning Indonesia's trade secret protection framework with global standards.

KEYWORDS

trade secret, legal protection, license, competitiveness, international law



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INTRODUCTION

Trade secrets are a form of intellectual property rights (IPR) that play a strategic role in maintaining the competitive advantage of business actors. In the contemporary global economy, trade secrets have become increasingly critical as businesses rely on confidential information—ranging from manufacturing processes and formulas to customer databases and business strategies—to maintain their market position (Dirkareshza, et al., 2025). The information possesses characteristics of confidentiality as well as economic value that is strictly guarded by the owner so that it is not used illegally by other parties. In Indonesia, trade secret protection is regulated in the Trade Secret Law (*Undang-Undang Rahasia Dagang*), which forms part of the commitment to the TRIPS Agreement (Dirkareshza, et al., 2025). However, despite this legal foundation, the regulation does not address trade secret licensing agreements in detail, thus causing legal uncertainty. This regulatory vacuum has the potential to hinder investment and technology transfer. This condition underscores the urgency of strengthening regulations to support a conducive business climate (Benalda, et al., 2024).

The existence of trade secrets is an important pillar in encouraging innovation and maintaining a company's competitiveness in the global market. Unlike patents or trademarks that are publicly disclosed, trade secrets rely on the confidentiality of their information as a source of economic value. The definition of trade secrets consists of information that has strict confidentiality characteristics in the field of technology or business and possesses strategic value. This scope includes pure business secrets to strictly protected industry knowledge.

However, the limitations of trade secret licensing rules in Indonesia result in weak legal certainty for the parties. This leads to hesitation among business actors to license their confidential information.

The unclear norms related to legal subjects in trade secret licensing agreements add to the complexity of the problem. The law does not yet expressly regulate who can be the owner or recipient of the license. This ambiguity poses a risk of inconsistency in the implementation of the law with the principle of IPR protection. This situation becomes a significant challenge when licensing involves cross-border entities or complex legal structures (Febrina, M. Y., 2022). Developed countries have established more detailed legal frameworks to anticipate this. Conditions in Indonesia highlight the need for adaptive regulatory reform.

Taiwan and the United States can serve as references for improving trade secret protection regulations. The United States, through the Uniform Trade Secrets Act (UTSA), regulates in detail the scope of protection, dispute mechanisms, and criminal sanctions for violations. Taiwan, through the Trade Secret Act, also adopts a Confidentiality Protective Orders (CPO) mechanism to maintain confidentiality during the litigation process (Cendhayanie, R. A., 2023). Innovations like these demonstrate the seriousness of other countries in protecting confidential information. This comparison reveals a considerable gap with the system in Indonesia. The adoption of such best practices can strengthen the national legal framework.

Property rights theory forms the conceptual basis for internationally recognized protection of trade secrets. Trade secrets are viewed as intangible property rights that grant exclusive control to their owners. James Pooley argues that effective protection must be based on inventory, simplicity, responsibility, and periodic inspections. Licensing serves as a strategic means to safely transfer the use of trade secrets. Instruments such as Non-Disclosure Agreements (NDAs) play an important role in preventing abuse. These principles are relevant for integration into national regulations.

As part of the research preparation, the researcher conducted a review of previous studies relevant to the topic. The five relevant studies for this journal are as follows: the first study discusses the comparison of criminal aspects of trade secret violations in Indonesia and Japan, highlighting the need for more effective law enforcement. The second study compares trade secret protection between Indonesia and the United States, emphasizing the importance of strong rules for healthy competition. The third study examines the conformity of Indonesia's Trade Secrets Law with international TRIPS standards, highlighting the need for a comprehensive dispute resolution mechanism. The fourth study focuses on a comparison of legal systems for trade secret protection in several developed countries, providing an overview of the advantages and disadvantages of regulations in each country. The fifth study uses empirical data to show that strong trade secret protection improves companies' internal information integration and decision-making in the United States.

This research offers novelty through its focus on the regulatory convergence of trade secret licensing agreements in Indonesia through a comparative study of Taiwan and the United States. This study integrates substantive and procedural legal aspects that have not been extensively explored in previous research. The research gap lies in the lack of in-depth studies combining rights protection and dispute protection mechanisms. Previous studies tend to discuss only general comparisons or criminal aspects. The comparative approach is expected

to provide applicable recommendations. This effort will enrich the discourse on IPR law reform in Indonesia.

The main purpose of the study is to identify and analyze the differences and similarities in the regulation of trade secret licensing between Indonesia, Taiwan, and the United States. The research also formulates recommendations for regulatory convergence that can enhance legal certainty. Improving the quality of licensing agreements is expected to strengthen trade secret protection. The significance of the research lies in its contribution to the development of national IPR law. The results are expected to support a healthy and competitive business climate. This aligns with the government's target to adjust IPR regulations to international standards.

The theoretical benefit of this research is to enrich the intellectual property law literature, especially in the realm of trade secrets and licensing. Cross-country comparative analysis provides a more comprehensive understanding. This study can serve as academic reference material for students, lecturers, and researchers. The integration of normative and comparative approaches expands the study's perspective. Its practical benefits include policy recommendations for regulators. These recommendations aim to reduce legal uncertainty and potential disputes.

The research is also expected to help business actors and legal practitioners understand the rights and obligations in trade secret licenses. This understanding will increase confidence in sound business practices. Effective protection mechanisms will support investment and technology transfer. Regulatory compliance with international standards adds value in attracting investor interest. This study is expected to encourage the strengthening of trade secret regulations in Indonesia. These efforts will ultimately bolster Indonesia's position in the global market.

METHOD

This research adopted a normative legal approach focused on written rules as sources of legal norms. The goal was to provide an in-depth analysis of applicable legal provisions and relevant legal theories and principles. The normative juridical method proved particularly appropriate, as it enabled systematic examination of legal texts, statutory provisions, and regulatory frameworks across jurisdictions (Ramadhan, et al., 2023).

The problem approach included a comparative method by contrasting trade secret regulations in Indonesia, Taiwan, and the United States; a legislative approach to review international and national legal instruments; and a conceptual approach to clarify the theoretical framework. The comparative approach identified transferable best practices amid distinct legal traditions and economic contexts. The legislative approach facilitated analysis of statutory provisions and their evolution, while the conceptual approach ensured theoretical coherence and evaluation of regulatory effectiveness (Menell, et al., 2013).

Primary legal materials served as the main basis, including Indonesia's *Trade Secrets Law*, the *UTSA* and *DTSA* in the United States, Taiwan's *Trade Secret Act*, and its *CPO* mechanism. Taiwan and the United States were selected as comparative jurisdictions because their well-established frameworks are recognized internationally, represent differing emphases (Taiwan on criminal sanctions, the U.S. on civil remedies), have proven effective in

technology-intensive industries, and have influenced TRIPS provisions (Lee, 2023; Landman, 2019).

Data collection occurred through literature studies from university libraries, public libraries, and trusted online sources, with focus on developments from 2015 to 2025. The data underwent qualitative descriptive analysis using the Miles and Huberman model, involving data reduction and presentation. The process encompassed systematic coding of licensing provisions, thematic analysis of enforcement mechanisms, identification of convergences and divergences, and evaluation of foreign practices' adaptability to Indonesia.

RESULT AND DISCUSSION

Convergence Model

The legal convergence model in the field of trade secret licensing is an effort to harmonize national rules with international best practices, without eliminating the characteristics of the legal system that applies in Indonesia. The convergence aims to remove trade barriers and increase competitiveness, in line with the spirit of the TRIPs Agreement that has been ratified (Hukumonline, 2025). This harmonization not only unifies norms, but also equalizes minimum standards of protection and law enforcement mechanisms (Ramadhan, et al., 2023). The experience of other countries, such as Taiwan and the United States, shows that convergence is successful when accompanied by adequate institutional readiness and legal apparatus (Safiranita, S., et al., 2020). Indonesia needs to adjust administrative provisions, civil procedures, and dispute resolution pathways to be in line with international forums. This integration is expected to encourage innovation and attract investment in the high-tech sector.

The convergence process requires an in-depth analysis of the suitability of the legal substance, enforcement capacity, and readiness of business actors. In the area of trade secrets, this includes a revision of regulations to include operational definitions, standards of "reasonable safeguards," and procedures for recording and monitoring licenses. This approach differs from simply the adoption of legal texts, as it demands adaptations that take into account national legal cultures. The involvement of governments, academia, and the private sector is critical in formulating a model that is not only compatible with TRIPs, but also relevant to domestic needs (Harris, H., et al., 2020). Effective convergence demands interconnectedness between international norms and business realities in Indonesia. The end result is a legal ecosystem that is responsive, predictive, and accommodates global developments.

Legal convergence in the field of trade secrets also serves as a strategy to strengthen Indonesia's position in the international trade map. Adapting licensing norms to developed country practices allows for the creation of trust between trading partners and facilitates cross-border collaboration. This effort includes improving the recording system, law enforcement, and providing equal protection to domestic and foreign parties. Within the framework of TRIPs, rule alignment is a key factor to avoid sanctions or trade barriers from partner countries. In addition, a good convergence model will minimize the potential for legal conflicts due to jurisdictional differences. Thus, Indonesia can maintain its legal sovereignty while following global standards that provide long-term economic benefits.

Regulatory Framework of Indonesia, Taiwan, United States, and TRIPs Agreement Standards related to Trade Secret License Agreements

Table 1. Indonesia's Current Framework

Country	Regulatory Framework
Indonesia	The Trade Secret Law is the main foundation for the trade secret protection system in Indonesia, which was born as an implementation of the TRIPS agreement. Article 1 paragraph (1) explains that trade secrets are information in the field of technology or business that is not known to the public, has economic value, and is maintained confidential through reasonable steps. Meanwhile, Article 1 paragraph (4) defines a license as a permit given by the owner of trade secrets to another party to utilize its economic value within a certain period of time and conditions. Article 2 and Article 3 outline the conditions for protection, namely information that is confidential, has economic benefits, and is protected through adequate measures. The full rights of the owner of trade secrets are set out in Article 4, which includes the right to self-use, license, or prohibit others from disclosing or using such information for commercial purposes. Articles 11 and 12 already regulate the settlement of disputes through court, arbitration, or other alternative mechanisms, and Articles 13 to 15 have described the forms of violations and their exceptions. However, without strict rules regarding licensing obligations, the effectiveness of dispute resolution becomes limited.
Taiwan	Regulating the protection of trade secrets through the Trade Secrets Act which was last amended in 2020, with an emphasis on definitions, scopes, and enforcement mechanisms. Article 2 of the law defines trade secrets as information that is not publicly known, has economic value, and is protected by reasonable confidentiality measures. Protection includes the right to prohibit unauthorized acquisition, use, or disclosure, whether by physical or electronic means. Law enforcement in Taiwan also includes fairly severe criminal sanctions, especially for cases involving cross-border theft. This provision is accompanied by a civil procedure that allows the victim to claim damages and a termination order. Taiwan's regulations place a strong emphasis on the integration of civil and criminal mechanisms in order to reduce potential violations, without the need for out-of-court dispute resolution.
United States	The United States relies on the Defend Trade Secrets Act (DTSA) of 2016 as well as the Uniform Trade Secrets Act (UTSA) adopted in most states (Landman, T., (2019). The DTSA expands federal jurisdiction so that victims of violations can sue in federal court, in addition to state courts (Menell, P. S., et al., 2013). The definition of trade secrets in the DTSA is similar to that of UTSA, emphasizing aspects of economic value and secrecy that are reasonably maintained. American law provides access to a wide range of legal remedies, including compensatory damages, exemplary damages, and injunctive relief. Protection also includes whistleblower immunity, which is legal immunity for whistleblowers in certain contexts. The U.S. system emphasizes flexibility in legal remedies and protections for parties acting in the public interest.

Based on this study, there is a gap in norms regarding the obligation of licensees to maintain the confidentiality of the information that has been accessed. The law does not explicitly establish the standards or mechanisms of protection that the licensee must meet. In addition, there are no clear arrangements regarding the ownership status of trade secrets in more complex structures, such as cross-legal or cross-border cooperation. This creates potential

legal uncertainty and opens up space for disputes. This regulatory vacuum becomes relevant to be studied further, especially by comparing other countries such as Taiwan and the United States that already have more detailed provisions regarding the protection of trade secret licenses.

International standards through Article 39 of the TRIPs Agreement stipulate that WTO members are obliged to provide protection against confidential information (U.S. Chamber of Commerce, 2023). The condition is that the information is not publicly known, has commercial value, and is protected with appropriate measures to safeguard it. The TRIPs do not set out in detail the form of protection or enforcement procedures, but rather provide a minimum framework that member states can adapt (Lee, T.-I., 2023). This standard allows for variations in implementation in each country, but still demands the fulfillment of basic principles of protection. Adequate protection is expected to prevent fraudulent competition and maintain a climate of innovation. TRIPs also encourages the harmonization of the basic principles of protection of trade secrets between countries.

A comparison of Taiwan and United States regulations shows similarities in terms of definition and protection criteria, but differs in the emphasis on law enforcement (Liu, K.-C., 2022). Taiwan emphasizes strict criminal sanctions, while the United States places an emphasis on broad and flexible civil efforts. Both countries adopted the principle of reasonable confidentiality and economic value as the foundation of protection. Both are also in line with the principles of TRIPs, although the technical implementation is different. Taiwan focuses more on preventing transnational crime through criminal threats. The United States relies more on civil enforcement to provide legal certainty for owners of trade secrets.

The integration of the principles of TRIPs into national regulations can be seen in how Taiwan and the United States harmonize the definition and criteria of protection. However, both developed models that fit their respective legal systems (Limpanukorn, N., 2025). Taiwan strengthens the repressive aspect through criminal prosecution as a deterrent effect, while the United States encourages the resolution of disputes through effective and speedy civil channels. These different approaches show that harmonization of international standards does not necessarily mean uniformity of mechanisms, but rather the alignment of basic principles. This is important for Indonesia when considering regulatory convergence, in order to be able to adopt the principles of TRIPs while adjusting to national needs. A hybrid approach that combines criminal and civil powers has the potential to increase the effectiveness of trade secret protection.

Comparative Analysis with Indonesia and the Legal Implications of Rahasaia Dagang License

Table 2. Taiwan's Comprehensive Approach

Aspects	Indonesian Trade Secrets Law	Trade Secret Act Taiwan	United Trade Secrets Act of the United States
Main Line of Solution	Arbitration, Mediation, Commercial Court	Intellectual Property Court (IP Court)	Federal/State Courts
Alternative Solutions	Negotiation and Conciliation	Just focus on the court	It can be by settlement or court order

Interim Mechanics	Not Specific	Temporary confiscation, Temporary injunction	<i>Ex parte seizure</i>
Confidentiality Protection	Generally, in ordinary court proceedings, the trial can be open or closed	Closed hearings and strict confidentiality orders	Closed hearings and strong protection through the courts
Penalty	Civil and criminal according to the law	Civil and criminal with a clear legal term	Civil, injunctive, and compensation

In Indonesia, based on Law Number 30 of 2000 concerning Trade Secrets, trade secret violations can be subject to criminal sanctions in the form of imprisonment for a maximum of 2 years and/or a maximum fine of Rp300 million. This sanction is given to anyone who deliberately and without the right to use or disclose the trade secrets of another party, or commit any other offense provided for in the law. In addition to criminal sanctions, trade secret violations can also be subject to civil lawsuits to obtain material and immaterial damages and termination of actions that are detrimental to the owner of trade secrets.

In Taiwan, the Trade Secrets Act provides for civil and criminal sanctions for trade secret violations. Infringement can lead to lawsuits in the Intellectual Property Court with the possibility of fines, payment of damages, and imprisonment for perpetrators who are proven to have committed theft or unauthorized disclosure of trade secrets. Taiwan also provides strong protections through interim court orders as well as other legal measures to prevent further damage from violations.

In the United States, the United Trade Secrets Act (UTSA) also provides for civil sanctions in the form of compensation, including compensation for actual losses and profits earned by violators from the use of trade secrets. In addition, UTSA allows courts to issue an injunction to prohibit the use or disclosure of trade secrets. UTSA also provides the option of an *ex parte* seizure mechanism in exceptional cases, allowing for immediate seizure of the offender's assets without prior notice to prevent further damage. Nonetheless, criminal sanctions fall under separate state and federal criminal law jurisdictions, and enforcement can differ depending on the circumstances.

Indonesia places trade secrets as part of the IPR regime based on Law 30/2000 and the principle of TRIPs. The definition, protection requirements, and rights of the owner are clear, but the details of the licensee's obligations have not been discussed in detail (Genadi, M. A. M., & Yusuf, H., 2024). The United States relies on UTSA at the state level and DTSA at the federal level to open federal forums and enrich the remedies (Febrina, M. Y., 2021). Comparative studies show that the elements of violations in UTSA are in line with the elements of violations in Law 30/2000, although the tools of efforts are broader in the US. Decision Number 458/Pdt/2021/PT SMG is used as a lens for evaluating the effectiveness of Indonesian norms. The Indonesian-US literature affirms the same goal, but the instruments of enforcement are different in emphasis.

The rights and transfer structure in Indonesia gives exclusive rights to the owner as well as opens a licensing channel through DJKI registration. The purpose of registration is to provide binding power to third parties and filter out potentially anti-competitive clauses. The United States places "reasonably maintained" secrecy as a key standard, and then provides

access to actual damages, exemplary damages, and injunctive relief under the DTSA. The expansion of federal jurisdiction in the DTSA adds certainty of a forum for owners of cross-state trade secrets. Indonesia's policy direction tends to be administrative-procedural, while the US emphasizes aggressive remedial-civilian. This gap in focus has an effect on forum preferences and enforcement strategies of the parties (Indradewi, A. A. S. N., 2022).

The complaint against the Indonesian criminal regime provides restorative space but has the potential to reduce the effect of fear. Such a design contrasts with the U.S. ecosystem that encourages swift civil litigation with a firm compensation package. The comparative study assessed that both approaches pursued the same protection goal through different paths. Indonesia relies on a combination of civil lawsuits, APS/arbitration, and limited criminal proceedings. The United States maximizes the civil avenue for loss recovery and the prevention of repeated leaks. The selection of the path has implications for the design of the contract and the evidence of internal security that must be prepared from the beginning (Diyanto, D. R., 2024).

Licensing practices in Indonesia still often face ambiguous clauses, limited understanding of parties, and implementation problems in the field (Utama, A. S., & Susanty, A. P., 2023). Technical gaps in the confidentiality obligations of the licensee should be closed through a firm agreement or contract (Nizliandry, C., 2022). This contractual dimension is crucial because trade secrets rest on the obligation to maintain verifiable confidentiality. Strengthening contract discipline will close the gap when evidence of "appropriate steps to maintain confidentiality" is questioned. Recommendations for contract reform and capacity building of parties have been consistent in recent studies (CREATe.org & PwC., 2015).

The Indonesia-US research highlights a critical point in the translation of the elements of "economic value due to confidentiality" and "reasonable security measures". The standard of "reasonable measures" in U.S. practice provides operational evidentiary guidelines. Indonesia acknowledges similar elements, but the framework of proof often relies on contracts and internal policies. This difference has an impact on evidence in court when detailing security SOPs, NDAs, access controls, and trail audits (Sahlan, S., et al., 2024). Harmonization of the company's internal standards is the key so that these elements are not just declarative. The direction of strengthening technical evidence seems urgent when cases involving employees changing jobs and digital access (Durkin, M., et al., 2021).

The general policy direction of IPR in Indonesia recognizes the exclusive character of rights as well as public interest in market balance. Such a framework encourages certain restrictions on licensing clauses that have the potential to disrupt competition. Comparisons with the US show that the handling of competition issues is more driven by local rules of reason and antitrust testing. Indonesia places administrative filters through recording and enforceability against third parties. These architectural differences affect the style of drafting exclusivity, grant-back, no-challenge, and reverse engineering prohibitions. Ex-ante testing via administration in Indonesia and ex-post via litigation in the U.S. require different contracting strategies.

Decision Number 458/Pdt/2021/PT SMG is used as a benchmark for the application of elements of trade secret infringement in Indonesia. Comparative analysis concluded that the defendant's actions met the elements, but the inconsistency of interpretation appeared at the first level. The study suggests the use of expert opinions and precedents to maintain the

consistency of justice (Prisandani, U. Y., 2024). Strengthening technical guidelines for law enforcement officials will increase the predictability of decisions. The availability of a benchbook proving elements of trade secrets will help screen cases from the beginning. This methodological recommendation is in line with the need for certainty for business actors (Salim, A., & Saputra, A. A., 2025).

The implication for policymakers is to demand an improvement in licensing norms to explicitly include the confidentiality obligations of the recipient. Minimum standardization of NDAs, information security protocols, and post-termination restrictions need to be included as administrative references. Licensing should ideally be accompanied by more operational anti-competition guidance. Dispute resolution should be enriched with an arbitration channel of technology specialists who are responsive to digital evidence. The harmonization of DJKI's internal guidelines with modern civil litigation practices will foster consistency. Technical changes like this will close the gap between the general norm and the practice of proving in the field.

The implications for licensing contractors encourage a contract playbook that contains operational definitions of trade secrets, access matrices, and incident protocols. Inspection, cyber audit, and injunctive relief by consent clauses can be considered to speed up the handling of leaks. The structure of the remedy should mimic the practice of tiered damages (a mechanism for determining damages) that separates actual losses. An internal documentation strategy is mandatory to ensure that security traces can be submitted as evidence of reasonable steps. Affirming a digital-evidence-friendly dispute resolution forum will speed up recovery. This will make Indonesian contracts more prepared to face UTSA/DTSA-style proof (Wu, H., 2011).

Implications for research and business development encourage the synergy of legal protection with the need for market collaboration. The modern innovation ecosystem requires a balance of trade secret protection and secure limited sharing policies. Clear internal regulations and policies will help companies collaborate without sacrificing a competitive core. The literacy capacity of IPR actors, especially Micro, Small and Medium Enterprises (MSMEs), needs to be improved through practical guidance and training. Connectivity between civil, administrative, and criminal norms must be maintained so that the effects of prevention are still felt. A convergence agenda based on US best practices will be relevant if supported by contract standardization and clear evidentiary guidelines in Indonesia (Linton, K., 2016).

Adoption of Taiwan and United States Best Practices

Taiwan's best practices in the protection of trade secrets emphasize clear definitions, scope of protection, and strict obligation to maintain confidentiality. The law in Taiwan stipulates that information that meets the criteria of trade secrets must be protected in both contractual and non-contractual relationships (Effron, R. J., 2016). Severe criminal sanctions are applied to violations, especially those that have cross-border impacts or involve industrial espionage. This system provides a deterrent effect and reduces the risk of leakage in the strategic technology sector. Such an approach can be adopted by Indonesia to strengthen law enforcement in the field of trade secret licensing. Strict integration of criminal aspects can go hand in hand with adaptive civil protection (Mustikarini, I. D., 2016).

The United States developed the federally applicable Defend Trade Secrets Act (DTSA) and the Uniform Trade Secrets Act (UTSA) at the state level. Both of these instruments provide comprehensive protection against theft, disclosure, or unauthorized use of trade secrets. Owners of trade secrets can file a lawsuit in federal court for damages and a cease-and-desist order (Association of Corporate Counsel, 2020). The DTSA also regulates whistleblower immunity that protects whistleblowers of violations in certain contexts. The combination of legal protection and whistleblower immunity helps create a transparent system. Indonesia can adapt this concept to encourage internal reporting of potential violations.

Taiwan's practice integrates the protection of trade secrets into national innovation policies, thereby supporting the competitiveness of local industries. Regulations regulate the security standards that companies must take to meet the protection requirements. Courts in Taiwan can issue temporary restraining orders to prevent misuse of information. The order is often used in cases that have the potential to cause significant harm to the rights owner. Indonesia can adopt this preliminary injunction mechanism to respond quickly to data leaks. This step will increase investor confidence in the Indonesian legal system.

The U.S. legal system provides flexibility in determining damages, including exemplary damages for intentional violations. The amount of this additional compensation can be up to twice the actual loss. The implementation of significant financial sanctions sends a strong message against serious violations. Indonesia can adopt this system while still paying attention to the principle of proportionality. Increasing the effectiveness of sanctions can also be balanced with prevention education for business actors. This approach is in line with the principle of fair and balanced protection of intellectual property rights.

Taiwan implements closed-court procedures to protect confidentiality during trade secrets dispute proceedings. This ensures sensitive evidence is not exposed to the public or uninterested parties. Taiwan uses protective orders for a similar purpose, which is to limit parties' access to classified documents. The difference lies in the flexibility and scope of protection that the courts provide. Indonesia can combine these two approaches to create optimal process protection. This mechanism will close the gap of information leakage during litigation.

The U.S. and Taiwan both emphasize the importance of evidence of adequate security measures as a condition for legal protection. This standard ensures that only information that is truly guarded is entitled to be protected. Indonesia can clarify the criteria for "reasonable action" in the implementing regulations of the Trade Secrets Law. This clarity will make it easier for the judge to assess the eligibility of protection. Business actors can also adjust internal policies to be in line with legal standards. This approach will encourage the creation of a more disciplined information security culture.

The two countries also pointed out the importance of interagency coordination in tackling cross-border trade secret violations. Taiwan engages law enforcement agencies, customs, and the ministry of commerce for supervision. The United States relies on collaboration between the Federal Bureau of Investigation (FBI), the Department of Justice, and state authorities. Indonesia could emulate this pattern by forming a special task force on trade secrets. Cross-agency collaboration will speed up case handling and reduce potential losses. This approach also strengthens Indonesia's position in international cooperation forums.

The adoption of Taiwan and U.S. best practices requires adjustments to match Indonesia's legal and economic conditions. This adaptation includes revision of regulations, capacity building of apparatus, and the preparation of clear technical guidelines. The government can work with business actors to develop standards for safeguarding trade secrets. The application of international standards must be balanced with the protection of national interests. The combination of criminal and civil aspects in law enforcement will provide more comprehensive protection. This step will ensure that regulatory convergence runs effectively and sustainably.

CONCLUSION

This study concluded that Indonesia's protection of trade secrets through licensing requires strengthened regulations and enforcement to align with international best practices, as comparative analysis of Taiwan and the United States highlighted the importance of legal certainty, clear security standards, rapid enforcement, and cross-agency coordination for competitiveness. Adapting these practices could boost business confidence, international collaboration, innovation ecosystems, and national market positioning, with recommendations including the Directorate General of Intellectual Property drafting rules on "reasonable security measures," a special task force by the Ministries of Trade and Law and Human Rights, Supreme Court guidelines for judges on injunctions and closed hearings, and government training for MSMEs. For future research, empirical studies could evaluate the post-implementation impact of these reforms on technology transfer rates and dispute resolution outcomes in Indonesian industries.

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