When Knowledge Crosses

Investment, information, and the line between sharing and theft

TOT.C.10.2.F "exploitation of Western investment in China and scientific, academic, and industrial espionage."

NAME _____ DATE _____

1 READ AND MARK

Read it twice

YOUR JOB Underline an example of lawful cooperation, and circle each example of pressured transfer or unauthorized access. Label each circled example I for industry, S for science, or A for academic work to show what kind of knowledge is at stake.

A Factory, a Lab, and a Line

1 In 2001, China joined the World Trade Organization, and foreign firms saw a growing market. Imagine an American battery company building a plant there. The company might hire local workers and share production methods through a negotiated license. Such exchanges can benefit both sides and are not espionage. In some industries, however, foreign companies have reported pressure to share valuable technology to gain market access or work with a local partner. If a firm feels it must surrender know-how to reach customers, its investment can become a source of technology for a competitor.

2 Pressure at the negotiating table differs from secretly taking information. In 2014, U.S. prosecutors charged five Chinese military officers with hacking American firms to obtain confidential business information. The indictment named companies in steel and solar power; the charges were allegations, not findings of guilt. Industrial espionage can target factory plans, prices, or product designs. Scientific espionage could involve stealing an experimental battery formula from a private laboratory. Academic espionage could involve secretly copying an unpublished grant proposal from a university office. All three involve obtaining protected information without permission, not simply learning from publicly shared research.

3 Consider two emails received by the imaginary battery company. A university researcher asks to publish results from a joint study after both partners approve them. Another sender asks an employee to send confidential factory cost estimates to a personal account for delivery to a rival. The first request describes authorized collaboration; the second seeks unauthorized access. The distinction matters because investment can spread knowledge through agreements, while pressure and espionage can shift its benefits without genuine consent. Judging a claim requires evidence about who owned the information, what permission existed, and how it was obtained.

2 ANSWER WITH EVIDENCE

Use the passage

1. How could the battery company's investment lead to technology sharing that is different from its negotiated license?

2. What makes the 2014 case an example of alleged industrial espionage rather than an ordinary business exchange? Why must it be called alleged?

3. How do the passage's scientific and academic espionage examples differ in what information is targeted?

4. Which email describes unauthorized access, and what two kinds of evidence would help you judge the claim?

3 YOUR TURN

Your own words

Write a short advisory memo for a fictional U.S. medical-device firm entering China. Describe one lawful way to share knowledge, one possible investment-related pressure, and one possible scientific or academic espionage risk, then explain how the firm could distinguish agreed sharing from unauthorized access.

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PART 1 · READ AND MARK

Underline an example of lawful cooperation, and circle each example of pressured transfer or unauthorized access. Label each circled example I for industry, S for science, or A for academic work to show what kind of knowledge is at stake. Accept any marking that follows this job and points at the right text.

PART 2 · ANSWERS

#	QUESTION	ANSWER
1	How could the battery company's investment lead to technology sharing that is different from its negotiated license?	**The firm could face pressure to share valuable know-how to gain market access or work with a local partner, rather than choosing what to share through a negotiated license.**
2	What makes the 2014 case an example of alleged industrial espionage rather than an ordinary business exchange? Why must it be called alleged?	**Prosecutors charged officers with hacking firms for confidential business information, not receiving information through an agreement. The indictment stated accusations, not findings of guilt.**
3	How do the passage's scientific and academic espionage examples differ in what information is targeted?	**The scientific example targets an experimental formula at a private laboratory. The academic example targets an unpublished grant proposal at a university office.**
4	Which email describes unauthorized access, and what two kinds of evidence would help you judge the claim?	**The request to send confidential cost estimates to a rival describes unauthorized access. Evidence about who owned the estimates and whether anyone gave permission would help judge it.**

PART 3 · YOUR TURN (SAMPLE ANSWER)

A U.S. medical-device firm could license a production method to a Chinese partner under a contract that sets its use and payment. The firm should assess whether access to buyers is being tied to sharing additional designs it does not want to license. A possible scientific espionage risk is an outsider secretly copying unpublished test results from its lab. The firm can check contracts and permissions to distinguish agreed sharing from unauthorized copying. These risks do not mean that its Chinese partner or any particular researcher has done anything wrong.

Accept other plausible examples that distinguish voluntary agreements, pressure tied to investment, and unauthorized access. Students should treat the 2014 charges as allegations, not proven guilt.