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**Breakdown of Corporative Relation between the State and the Industry?:  
i-Phone and Limitations of Mobile Internet Network Policy in Korea**

This study examines how the mobile telecommunication industry in Korea could be prosper by the corporative relation between the State and the industry and analyzes limitations of the industrial policy revealed by introduction of i-Phone into Korea. First of all, this research shows that the regulation authorities in Korea have managed manufacturing and service industries simultaneously as a combined target market. Due to this policy, manufacturing companies such as Samsung could achieve technological innovation based on the stably growing mobile service market. Second, from a part of the policy, the authorities have connived with the mobile service companies to run their mobile internet network exclusively. This has been the basis on which both service and manufacturing companies of Korea keep stable market power. Lastly, they are failing to respond the market change in global media industry provoked by i-Phone because of the very policy which they have grown depending on. This is the case in which innovation from network neutrality and state-driven industrial policy conflict in network industry.