

# Intellectual Property Management Plan: Strengthening Corporate Governance and Achieving Diverse Operational Goals

## I. Introduction and Objectives

1. Our company's Intellectual Property (IP) management plan closely aligns with our operational goals and technical protection needs. The aim is to ensure that our innovative outcomes receive adequate legal protection, enhance competitive advantages, and promote sustainable growth. By properly safeguarding our intellectual property, we can gain an edge in technology adoption, collaboration, and innovation, ensuring continued innovation and growth in the high-tech industry.

### **i. International Market Strategy and Intellectual Property Protection:**

We are actively expanding our business beyond Taiwan to major markets in Asia, aiming to enhance competitiveness and meet customer demands for sustainable international operations. We recognize the differences in IP laws across countries and will develop protection strategies based on local regulations. Ensuring adequate IP protection in various markets can not only prevent infringement but also enhance our competitive position in international markets, making it strategically significant for market expansion.

### **ii. Technology Integration and Innovation Protection:**

By enhancing our electromechanical engineering and overall design capabilities, we aim to integrate multiple technologies to create more valuable solutions. We will ensure that internal innovations' intellectual property is adequately protected, motivating employees to engage in innovation and transform new technologies into commercial value. Through confidentiality agreements, talent training, and access controls, we will safeguard technical details, thereby strengthening customer trust and building long-term, stable customer relationships.

### **iii. Strategic Partnerships and Intellectual Property Agreements:**

Our company collaborates closely with international industry leaders to leverage advanced technologies and expertise. Collaboration agreements will clearly define the distribution and usage rights of intellectual property, ensuring fair sharing of benefits while avoiding potential IP disputes. This collaboration not only accelerates the enhancement of local technological capabilities but also spurs new technological innovations, improving competitiveness and reputation, ultimately enhancing profitability. Failure to obtain or maintain specific technology or IP licenses may lead to infringement lawsuits, restrict production, service sales, and technology applications, weakening competitiveness. To mitigate this, we implement measures such as licensing and contract management, patent protection, confidentiality agreements, technology reviews, and monitoring, while actively addressing unfounded patent litigation.

#### **iv. Innovation-Driven Intellectual Property Protection:**

Emphasizing the core belief of "Innovation, Execution, Assessment," we encourage employees to unleash innovative thinking while establishing efficient internal processes. This spirit of innovation applies not only to technology but also to IP protection. We understand that securing innovation through patent applications, trademark registrations, and trade secret protections is vital for safeguarding our technical achievements and strengthening our market leadership and share.

In fields such as the Internet of Things (IoT), big data, and artificial intelligence, patent protection becomes especially critical. We recognize that effective patent protection can prevent competitors from imitating or unauthorized use of our technologies while attracting potential partners. This strategy not only promotes the widespread application of new technologies in the market but also enhances our competitive position in emerging markets through appropriate IP strategies, ensuring legal compliance and reducing litigation risks, thus stabilizing profitability and reputation.

## **II. Patent Rights**

1. **Intellectual Property Management Committee:** A cross-functional team will be established to oversee patent application, management, maintenance, and evaluation, ensuring maximum value from our intellectual property.
2. **Legal Compliance and Risk Management:**

- **Patent Compliance:** Ensure that patent applications and usage comply with relevant laws and regulations to avoid potential legal risks and disputes.
- 3. **Patent Evaluation:** Regularly assess the value of our existing patent portfolio to support business decisions.
- 4. **Technology Transfer, Collaboration, and Internationalization:**
  - i. **Technology Transfer Strategy:** Promote the transfer of internal technologies across different business units to achieve product line expansion.
  - ii. **Partnership Development:** Establish partnerships with international corporations to enhance technology capabilities and develop domestic production processes.
- 5. **Product and Service Quality Enhancement:**
  - i. **Equipment Installation and Maintenance:** Build a high-quality installation and maintenance team to ensure excellent customer experience and stable equipment operation.
  - ii. **Depth and Breadth of Customer Service:** Expand the range of customer services to provide comprehensive solutions to meet diverse client needs.
- 6. **Emerging Technology Applications:**
  - i. **Technology Adoption Strategy:** Focus on emerging technologies such as IoT, big data, artificial intelligence, 5G, and AR/VR, ensuring timely capture of new technological opportunities.
  - ii. **Research and Development:** Invest in R&D to develop products and services related to emerging technologies.
- 7. **International Professional Services:**
  - i. **Talent Training and Recruitment:** Provide employee training to strengthen capabilities in international professional services.
  - ii. **Market Research:** Actively understand the market demands of different countries and regions to adjust professional service strategies.
- 8. **Monitoring and Evaluation:**

- i. **Performance Assessment:** Regularly evaluate the implementation of the IP management plan to ensure alignment with objectives.
- ii. **Risk Assessment:** Monitor market, legal, and technological changes, adjusting strategies promptly to mitigate risks.

### III. Trademark Rights

#### 1. Trademark Management Process:

- i. **Trademark Registration:** Ensure all key trademarks are registered in major markets, reviewing and submitting applications to ensure complete and compliant documentation.
- ii. **Trademark Review:** Regularly review the trademark portfolio to ensure alignment with brand strategy and market trends, making necessary adjustments and updates.
- iii. **Trademark Usage Guidelines:** Establish clear guidelines for trademark usage, ensuring that internal teams adhere to consistent brand standards and norms to maintain a cohesive identity.
- iv. **Infringement Monitoring:** Implement a trademark monitoring system to regularly check the market for potential infringements and take action promptly.
- v. **Legal Enforcement:** Immediately take legal action against any infringement, including sending warning letters and suing infringers.

#### 2. Internal Training and Education:

- i. **Trademark Value Education:** Regularly conduct internal training sessions to communicate the value of trademarks, protection methods, and how to identify infringements.
- ii. **Usage Guidelines Training:** Provide training on trademark usage guidelines to ensure all team members understand how to use trademarks correctly.

#### 3. Monitoring and Reporting:

- i. **Regular Audits:** Conduct comprehensive audits of trademark strategies and usage annually to ensure alignment with company goals and market changes.

- ii. **Infringement Reports:** Regularly generate infringement monitoring reports to assess potential risks and formulate response strategies.

#### 4. Phased Goals and Evaluation:

- i. **Short-term Goals:** Complete the registration of all core trademarks within six months to establish a basic protection framework.
- ii. **Mid-term Goals:** Reduce the incidence of infringement events and improve trademark protection effectiveness through training and monitoring.
- iii. **Long-term Goals:** Continuously enhance trademark value through ongoing audits and enforcement, maximizing the utilization of trademark assets.

## IV. Trade Secret Protection

### 1. Trade Secret Management Process:

- i. **Identification and Classification:** Carefully identify and classify all trade secrets, determining their sensitivity and value.
- ii. **Storage and Access Control:** Establish storage and access control measures to ensure that only authorized personnel can access trade secrets. Use encryption to ensure secure data transmission and storage.
- iii. **Internal Training:** Provide internal training to educate employees on best practices for trade secret protection and emphasize its importance.
- iv. **Contracts and Confidentiality Agreements:** Sign confidentiality agreements with employees, suppliers, and partners, clearly outlining protection obligations and legal responsibilities.
- v. **Monitoring and Auditing:** Regularly monitor the use of trade secrets and audit access records to ensure that only necessary personnel can access sensitive information.

### 2. Internal Training and Education:

- i. **Confidentiality Training:** Provide comprehensive training on the importance, methods, and consequences of trade secret protection.

- ii. **Risk Awareness Education:** Educate employees about typical internal and external risks and train them to identify and report potential threats.

### 3. Monitoring and Reporting:

- i. **Internal Review:** Regularly review internal systems to ensure the effectiveness of trade secret protection measures and promptly correct any vulnerabilities.
- ii. **Anomaly Detection:** Implement security tools to monitor abnormal system and user activities to capture potential external threats.

### 4. Risk Assessment and Management:

- i. **Regular Evaluations:** Periodically assess the risks associated with trade secrets and analyze potential threats.
- ii. **Risk Mitigation Measures:** Develop and implement measures to reduce risks based on assessment results, such as enhancing technical protections and improving employee training.

- 5. **Confidentiality Legal Compliance:** Ensure that trade secret protection measures comply with local and international confidentiality legal requirements.

## Implementation Status

1. The company has reported matters related to intellectual property to the 21st session of the 9th Board of Directors (November 13, 2024) and proposed improvement measures based on directors' suggestions.
2. Since 2002, the company has actively promoted the intellectual property management plan, with recent implementations as follows:
  - i. In 2002, we established and implemented patent operation management regulations, enhancing our patent research, application, and management SOP.
  - ii. Since 2002, the Strategy Execution Office has conducted monthly IP audits and established an intellectual property database, reporting results at monthly management meetings to maintain oversight and tracking of our IP rights.
  - iii. In 2014, we developed and implemented customer confidentiality compliance management regulations to

support the management and monitoring processes for trade secrets.

- iv. From 2019 to 2022, we conducted internal and external training sessions attended by 151 employees, covering departments such as R&D and manufacturing, as well as systems applications.
- v. Starting in 2022, we began assessing the implementation of the Taiwan Intellectual Property Management Standards (TIPS) with a plan to obtain certification by 2025.

3. Current IP inventory and achievements are as follows:

- i. As of September 25, 2024, the total number of patents obtained worldwide by the company is 232, including 154 in Taiwan (60 invention patents and 94 utility model patents), 60 in China
- ii. As of September 25, 2024, our company has a total of 85 registered trademarks worldwide, including 54 in Taiwan, 26 in mainland China, and 5 in other countries (with 1 application pending).

Region		Taiwan	US	China	Other	Total
Invention Patents	Registered	60	18	31		109
	Pending	2	1	5		3
Utility Patents	Registered	94	NA	29		123
	Pending		NA	1		1
Design Patents	Registered					
	Pending					
Patent Rights	Registered	154	18	60		232
	Pending					2
Trademark Rights	Registered	54	0	26	5	85
	Pending	0	0	0	1	1

Note: "NA" indicates that there is no utility patent system in the United States.