

Intellectual Property Management Report

Presenter: Joe

July 29, 2024

*This intellectual property management report has been presented to the board of directors on July 29, 2024.

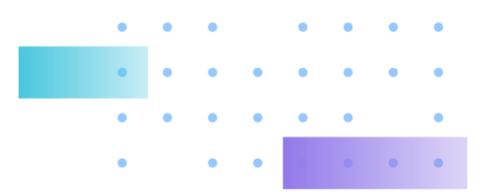
Intellectual Property Management Policies

Intellectual Property Management System (TIPS)

Intellectual Property Statistics

Intellectual Property Management Goals

Intellectual Property Risks, Opportunities and Corresponding measures



Intellectual Property Management Policies

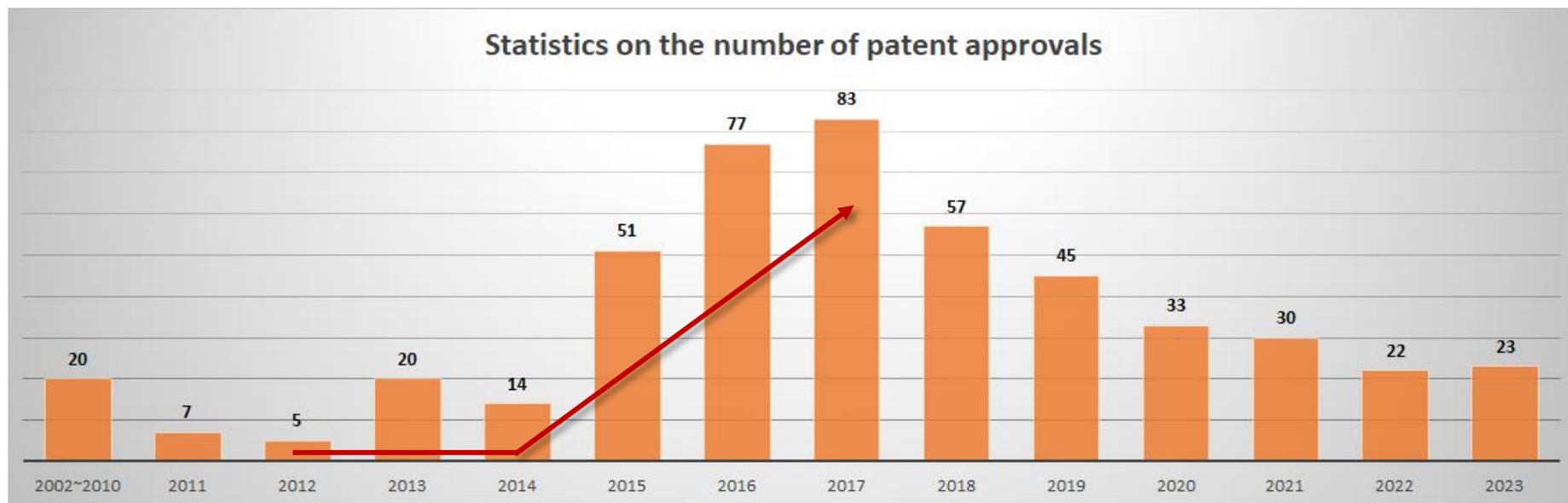
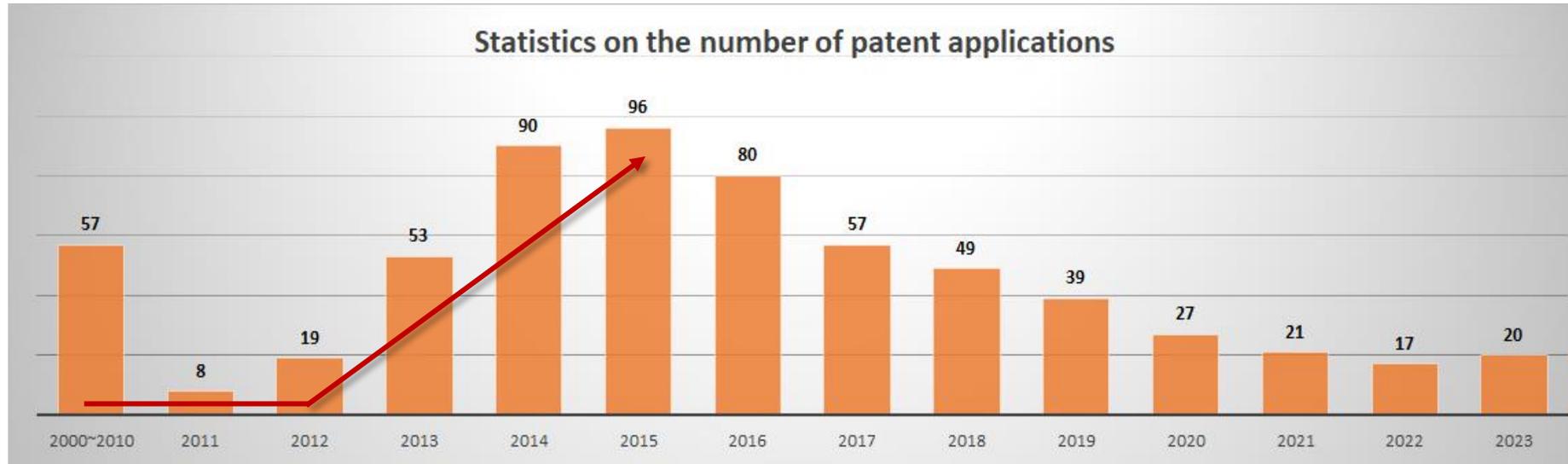
- 「 Deeply cultivate key technologies 」
- 「 Reduce operational risks 」
- 「 Strengthen the planning of intellectual property 」
- 「 Create intellectual property value 」

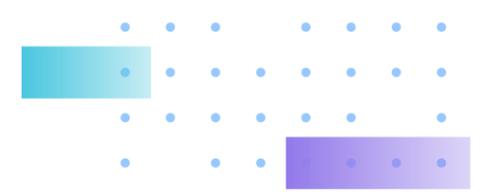
Intellectual Property Management Strategy:

- 1st Stage - experienced growth in the number of patents.
- 2nd Stage - focused on 「 intellectual property quality 」 , while increasing the number of valid patents.
- 3rd Stage - 「 create intellectual property value 」

Intellectual Property Management Strategy

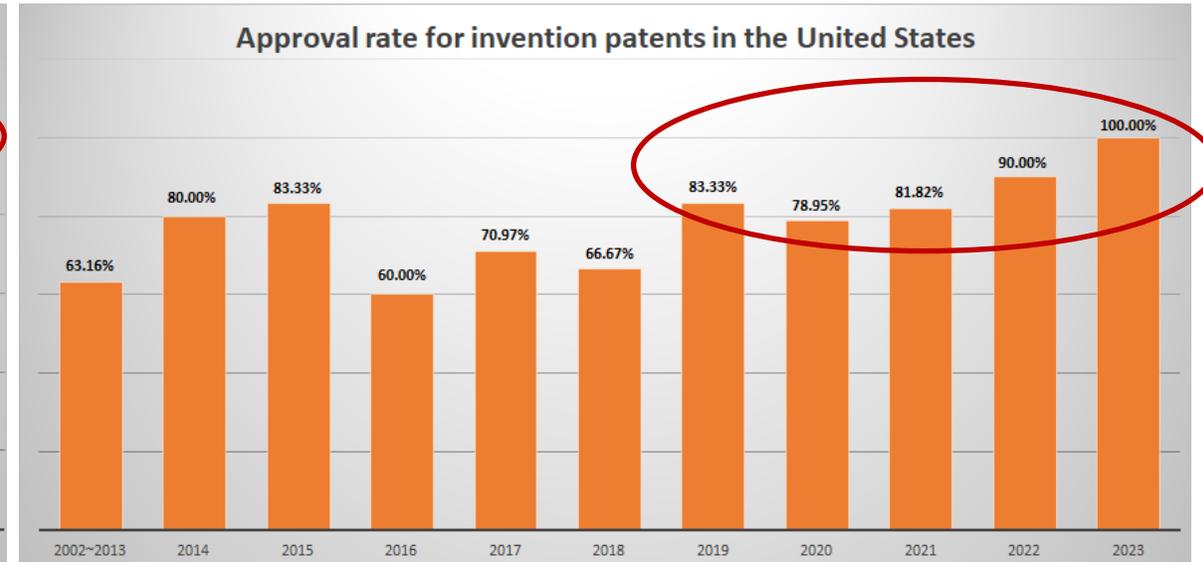
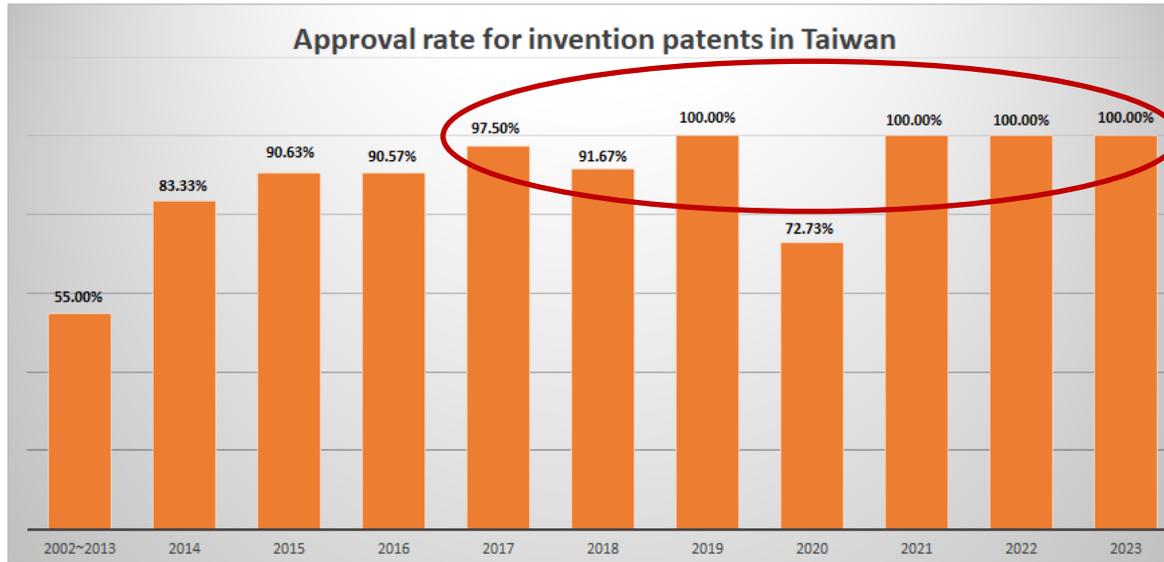
➤ 1st Stage - (2000-2016) experienced growth in the number of patents.

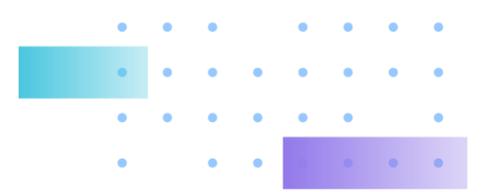




Intellectual Property Management Strategy

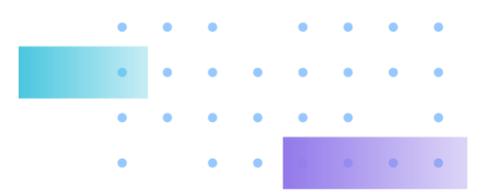
- 2nd Stage - (2017-2023) focused on intellectual property quality, while increasing the number of valid patents.
 - ✓ For three consecutive years from 2021 to 2023, achieved a 100% approval rate for invention patents in Taiwan.
 - ✓ In 2023, the approval rate for invention patents in the United States reached 100%.





Intellectual Property Management Strategy

- 3rd Stage - (2024 onwards) to 「 create intellectual property value 」 .
 - ✓ Enhance company's competition
 - ✓ Raise the barriers for industry competition
 - ✓ Strengthen brand image
 - ✓ Reduce operational risks
- ✓ Ongoing patent value assessment to monitor the real-time trends in patent value for VIVOTEK and its competitors.
- ✓ Continuous development of the IP for Solution Business model (in collaboration with Delta's IP team).
- ✓ Evaluation of patent technology trading platforms.



Intellectual property execution achievement

- Currently, the intellectual property list and achievements are as follows:
 - ✓ **Patents:** As of the end of 2023, VIVOTEK has accumulated a total of 633 patent applications and 487 granted patents worldwide. In 2023, 20 new patent applications were filed, and 23 patents were granted. In terms of patent quality, the average approval rate for VIVOTEK's invention patents in Taiwan from 2017 to 2023 reached 94.6%, with a consecutive approval rate of 100% from 2021 to 2023. The approval rate for invention patents in the United States has significantly increased since 2019, reaching 100% in 2023.
 - ✓ **Trademarks:** As of the end of 2023, VIVOTEK has obtained 126 trademarks in 42 countries, with 10 trademarks still under application.

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Taiwan Intellectual Property Management System (TIPS)

implementation mechanisms in recent years:

- 2014 => Established a systematic intellectual property management system, formulated the VIVOTEK's Intellectual Property Management Policies and Goals, and passed Intellectual property management system (TIPS) verification for the first time.
- 2017=> Based on new TIPS regulations (2016 version), as well as internal and external circumstances, stakeholders, and risks & opportunities, VIVOTEK formulated its 「Intellectual Property Management Policies and Goals」 to comply with 2016 TIPS verification standards. Passed new TIPS regulations (2016 Version) verification

VIVOTEK has consecutively obtained TIPS certification for 10 years since the first verification in 2014. The latest verified date is September 5, 2023, and the validity period of the certification registration is until December 31, 2025.

Intellectual Property Management Policies

Intellectual property management system (TIPS)

Intellectual Property Statistics

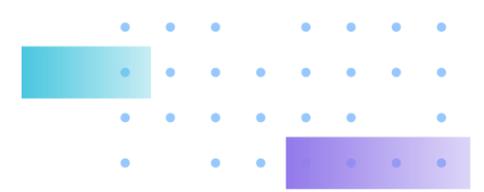
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Corresponding measures

VIVOTEK

A Delta Group Company

Intellectual Property Statistics

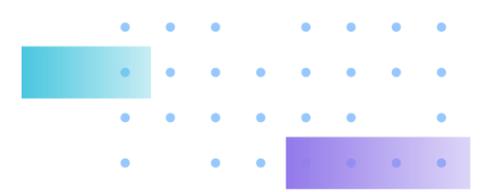


Patent

As of December 31, 2023,

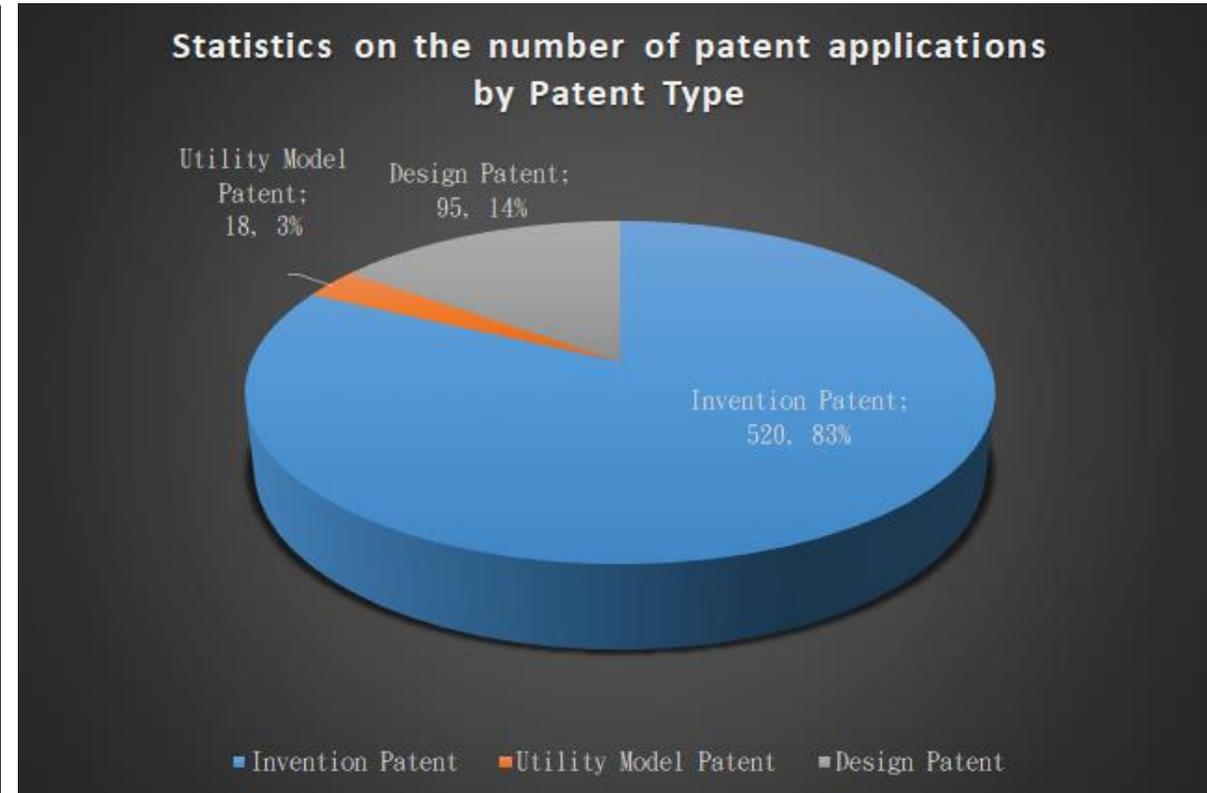
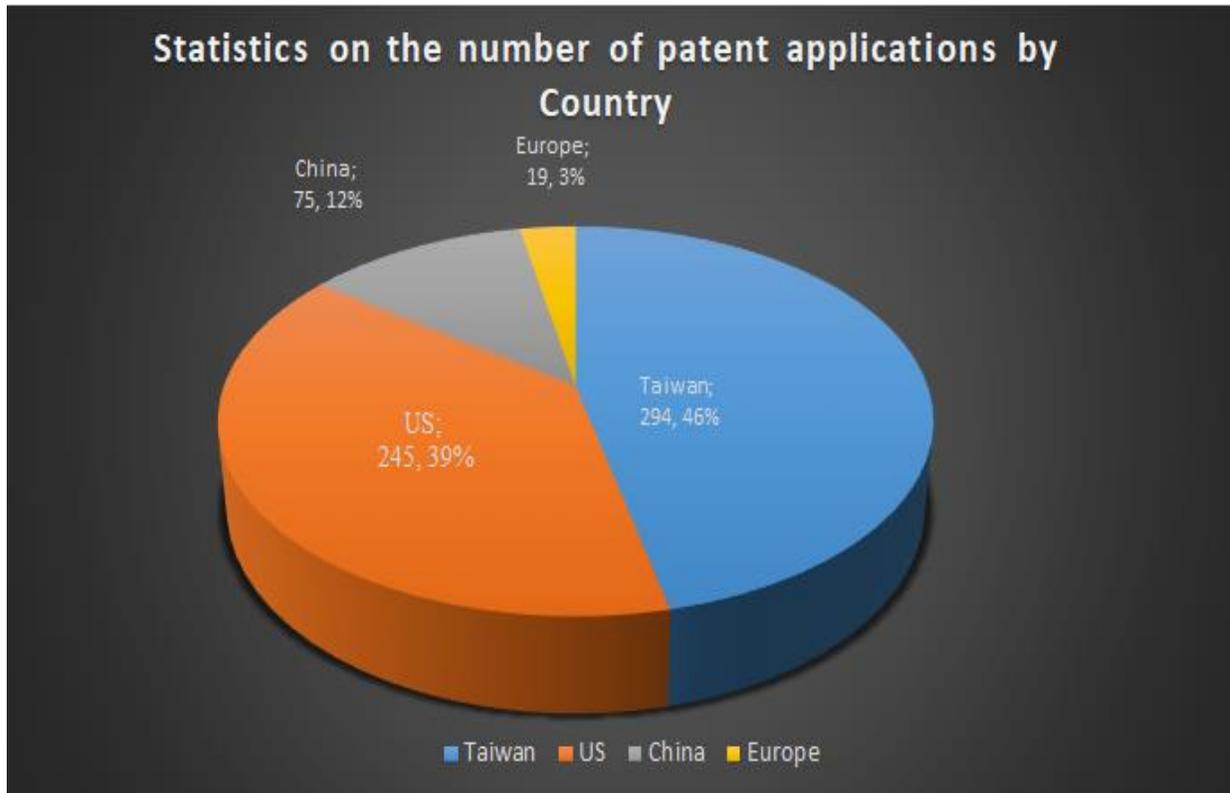
- ✓ Accumulated a total of **633** patent applications all over the world.
- ✓ The total number of global patent approvals has accumulated to **487**.
- ✓ **23 new patents approved in 2023.**
- ✓ **20 new patent applications in 2023.**

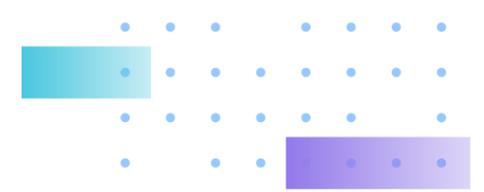
Intellectual property rights		Number of cases
Invention patent	Number of certificates received	379
	Number of applications	32
Utility model patent	Number of certificates received	18
	Number of applications	0
Design patent	Number of certificates received	90
	Number of applications	5
Copyright 、 trade secrets		Steady growth



Intellectual Property Statistics

➤ Patent Application Country and Type Analysis





Intellectual Property Statistics

➤ Trademark

As of December 31st, 2023,

- ✓ Obtained 126 trademarks in 42 countries;
- ✓ 10 trademarks are pending application.

Country	Number of application cases
Canada	4
Egypt	2
U. S.	1
Vietnam	1
South Africa	1
Argentina	1
total	10

Country	Number of approval cases
Taiwan	21
European Union	15
U. S.	8
U. K.	8
Mexico	8
Japan	5
India	5
Brazil	5
Colombia	5
Singapore	5
Australia	5
other 31 countries	36
total	126

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VIVOTEK

A Delta Group Company

2023 Intellectual Property Management Goals

2023 Achievements:

- ✓ **Greener AI: Patent analysis of edge AI and hybrid cloud architectures**
- ✓ **On September 5, 2023, VIVOTEK successfully completed the new year's TIPS certification, which is valid until December 31, 2025.**
- ✓ **In 2023, VIVOTEK continued to implement an enhanced corporate intellectual property management plan certified at the TIPS AA level.** This transition aims to move the intellectual property management system from its current TIPS A-level certification stage to a deeper utilization stage at TIPS AA level.
- ✓ **In 2023, a valuation of patents owned by major competitors was completed.** This included analyzing the strength, value, and trends of patents held by competitors to dynamically assess the VIVOTEK's comparative patent value. This analysis serves as a key reference for setting intellectual property strategies and goals.

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Possible Intellectual Property Risks, Opportunities and Corresponding measures

Possible Opportunities	Corresponding Measures
<p>Industrial upgrading and transformation, creating company profits and value. (opportunities)</p>	<p>Conduct patent analysis for key technologies, such as edge AI and hybrid cloud video storage architecture, to gain insights into the industry's advanced patent strategies and development. This information will be used to formulate product development strategies. Invest in technology development to enhance the accuracy and overall efficiency of intelligent analysis, thereby improving the efficiency of AI image analysis while promoting energy efficiency and environmental sustainability, paving the way for "Greener AI". The innovative research and development outcomes will be actively pursued for patent applications, nurturing patents with significant impact to elevate the industry's competitive barriers, ultimately creating profit and value for the company.</p>

Possible Intellectual Property Risks, Opportunities and Corresponding measures

Possible Opportunities	Corresponding Measures
<p>Under the opportunity of National Defense Authorization Act (NDAA), replacing the market share of Chinese manufacturers. (opportunity)</p>	<p>The intellectual property department evaluates the possible risks and opportunities in the new product development cases, conducts early risk management and strategic IP planning to effectively reduce operational risks and strengthen the company's IP portfolio, thereby improving customer satisfaction and trust in the company , enhance corporate reputation and brand image, increase cooperation and purchase willingness to increase market share.</p>
<p>If the intellectual property management system cannot be effectively implemented, risks such as patent infringement or disclosure of confidential information may occur, resulting in business losses. (risks)</p>	<p>Continuously implementing the intellectual property management system and ensured its appropriateness and effectiveness through regular audits and external verifications. This process aims to make the system more robust and reduce the potential intellectual property risks.</p>

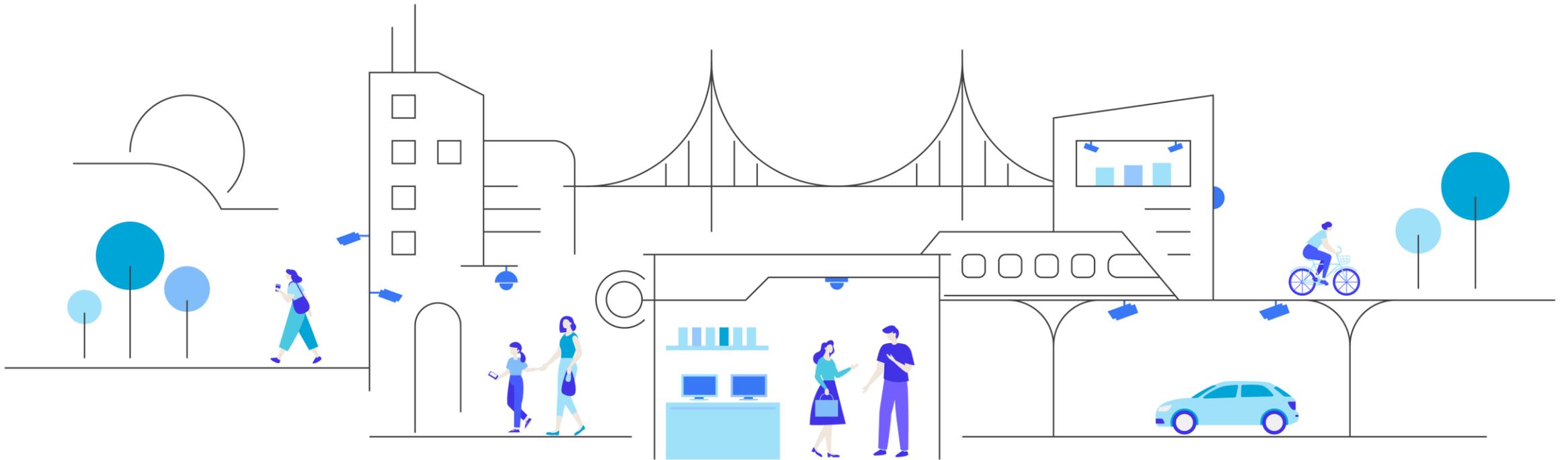
Possible Intellectual Property Risks, Opportunities and Corresponding measures

Possible Risks	Corresponding Measures
<p>When colleagues have little to no knowledge of intellectual property, it may cause damage to the Company's intellectual property management system. (risks)</p>	<p>All new colleagues must complete basic intellectual property education and training.</p> <p>Regular intellectual property education and training sessions should be organized to enhance the intellectual property knowledge of colleagues. This will effectively reduce potential intellectual property risks caused by a lack of awareness, helping to avoid issues such as patent infringement or confidential information leaks.</p> <p>Establish a <u>knowledge management system for intellectual property and actively share information with relevant departments</u>.</p> <p><u>Periodically update industry-related intellectual property, business, and research and development information</u>, including significant regulatory changes, noteworthy disputes or potential issues, and important intellectual property management and utilization events within the company.</p>

Possible Intellectual Property Risks, Opportunities and Corresponding measures

Possible Risks	Corresponding Measures
The leakage of business secrets will cause losses to the company. (risks)	Regularly investigate the company's trade secrets, update the list of trade secrets, and remind all departments to implement controls for trade secret information.

Thank You for Your Attention.



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We Get The Picture