

# Intellectual Property Management Report

\*This intellectual property management report has been presented to the board of directors on July 28, 2021.

Presenter: Joe

July 28, 2021

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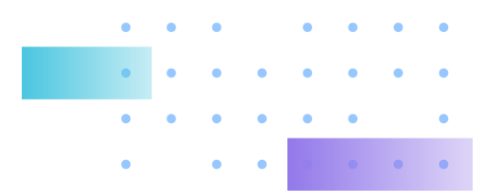
# Intellectual Property Management Policies

## Intellectual Property Management System ( TIPS )

## Intellectual Property Statistics

## Intellectual Property Management Goals

## Intellectual Property Risks, Opportunities and Corresponding measures



# Intellectual Property Management Policies

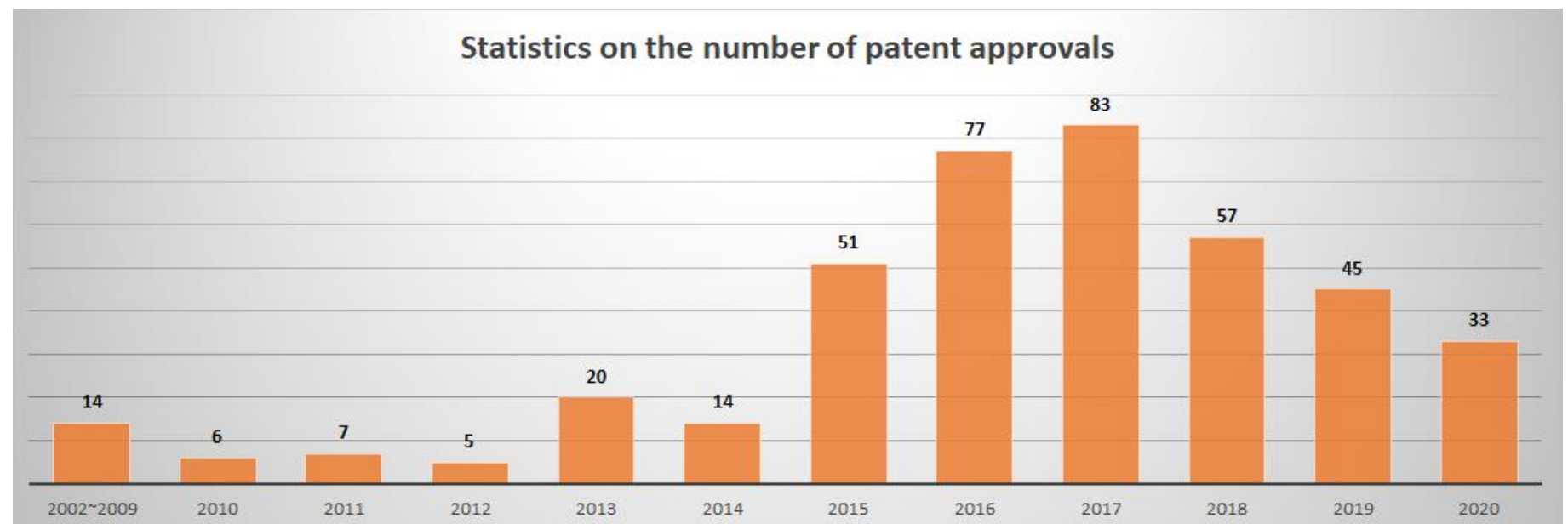
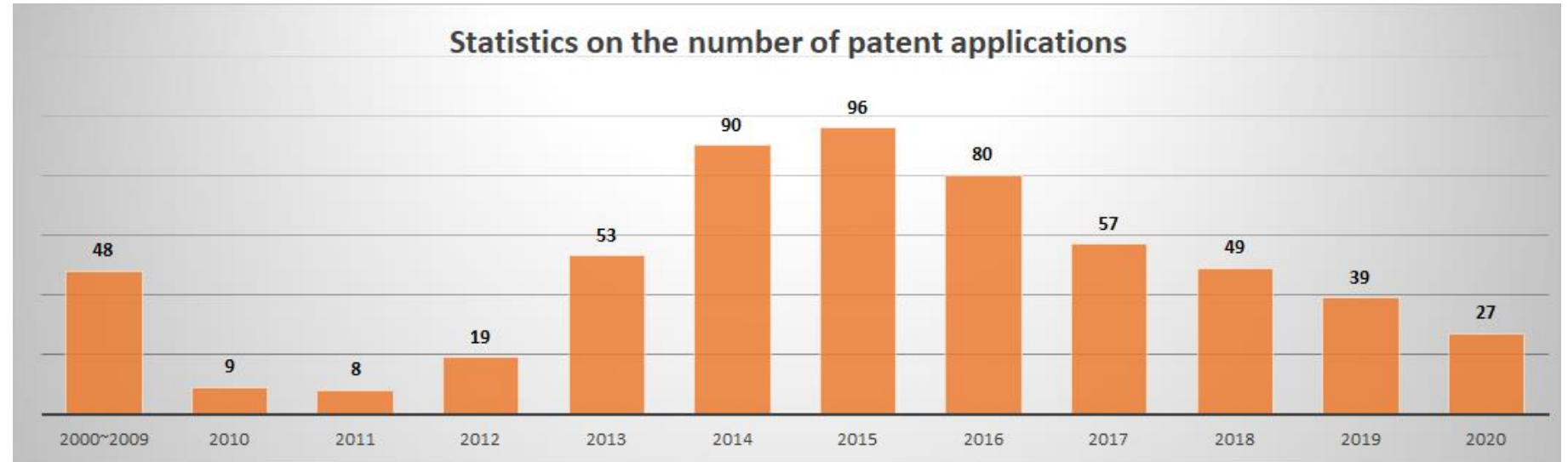
- 「 Deeply cultivate key technologies 」
- 「 Reduce operational risks 」
- 「 Strengthen the planning of intellectual property 」
- 「 Create intellectual property value 」

## Intellectual Property Management Strategy:

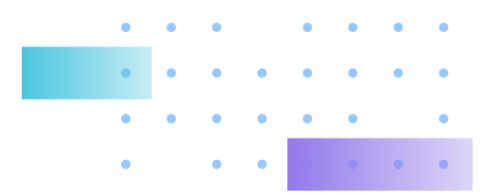
- 1st Stage - experienced growth in the number of patents.
- 2nd Stage - focused on 「 intellectual property quality 」 , while increasing the number of valid patents.
- 3rd Stage - 「 create intellectual property value 」

# Intellectual Property Management Strategy:

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

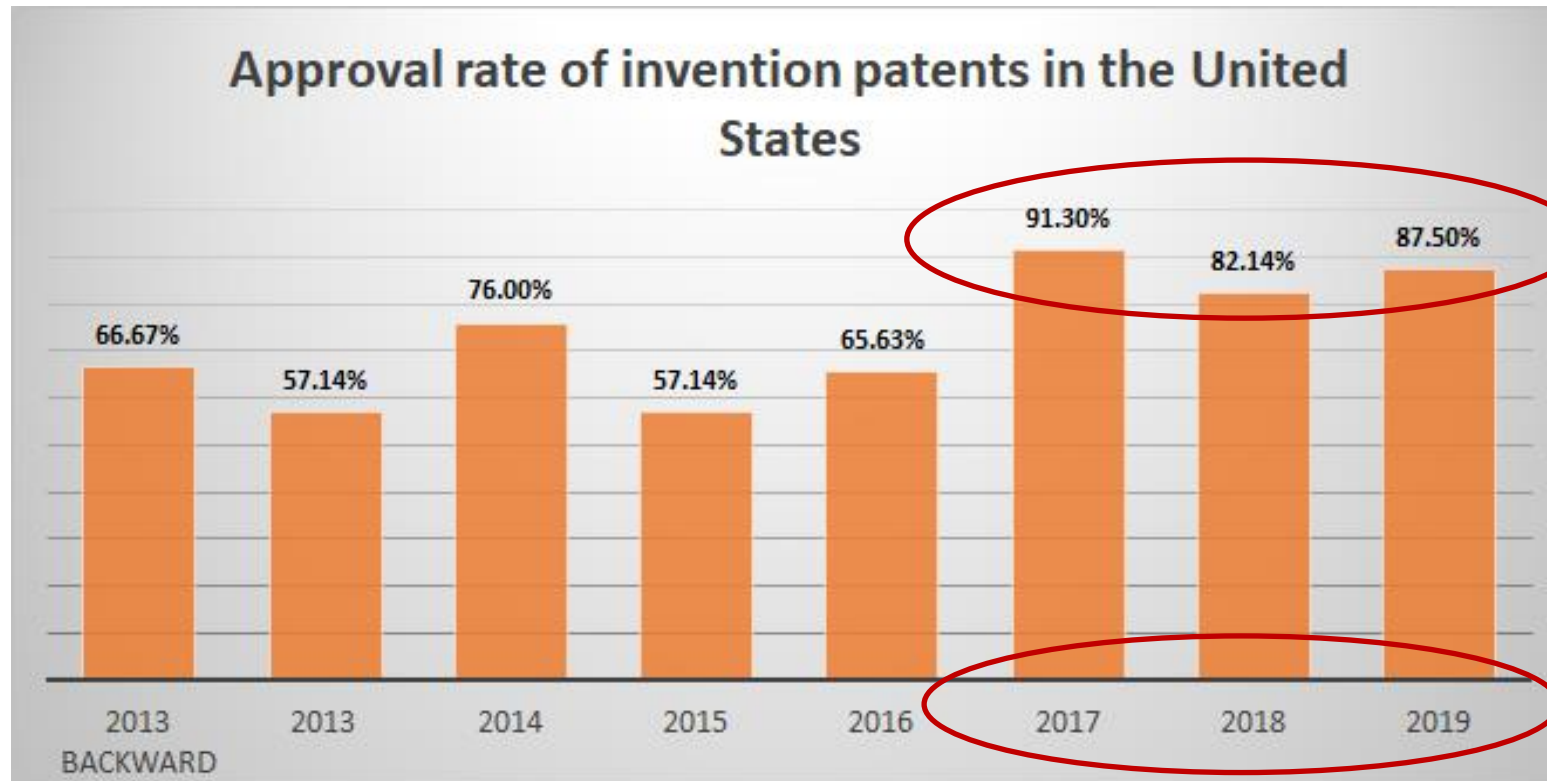


# Intellectual Property Management Strategy



➤ 2nd Stage - (2017-2023) focused on intellectual property quality, while increasing the number of valid patents.

- ✓ In 2017, the approval rate of invention patents in the United States reached 91.30%.
- ✓ In 2018, the approval rate of invention patents in the United States reached 82.14%.
- ✓ In 2019, the approval rate of invention patents in the United States reached 87.50%.



# Intellectual Property Management

- 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

# Intellectual Property Achievements

VIVOTEK has actively promoted its intellectual property management plan since 2012, with the following implementation mechanisms :

- ✓ 2012 Established the **Intellectual Property Management Department** responsible for handling intellectual property related issues.
- ✓ 2013 Established a systematic intellectual property management system and formulated the Company's
- ✓ 2014 Applied and **passed TIPS verification** for the first time.
- ✓ 2017 Upgraded Intellectual Property Management system and **passed 2016-TIPS verification**.
- ✓ 2018 Based on new TIPS regulations, as well as internal and external circumstances, stakeholders, and risks & opportunities, the Company formulated its Intellectual Property Management Policies and Goals.
- ✓ 2019 Strengthened intellectual property protection measures in case of employee resignation, added an intellectual property ownership reminder to the work handover list, and established a notification mechanism for employees who are resigning.
- ✓ 2020 Strengthened confidentiality policy and procedures, and improved the labeling of confidential documents.
- ✓ 2021 **Planning** the improvement of the intellectual property management system and carried out the introduction of the **TIPS Level AA - strengthening enterprise intellectual property operation and management plan**.

Intellectual Property Statistics :

- **Patent:** As of December 31, 2020, the Company has accumulated a total of **575 patent applications** all over the world. The total patents granted worldwide have reached 412. AS the patent quality, the Company's invention patent approval rate reached **87.5%** in the US in 2019.
- **Trademark:** As of December 31, 2020, the Company has obtained **66 trademarks in 42 countries**.

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# Taiwan Intellectual Property Management System (TIPS) Certification

implementation mechanisms in recent years:

- 2014 => Established a systematic intellectual property management system, formulated the Company'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, the Company formulated its Intellectual Property Management Policies and Goals to comply with 2016 TIPS verification standards. Passed new TIPS regulations (2016 Version) verification

The Company has obtained TIPS certification for 8 consecutive years since receiving its first in 2014. The latest verified date is October 6, 2020, and [certification registration is valid until December 31, 2021.](#)

# Intellectual Property Management Policies

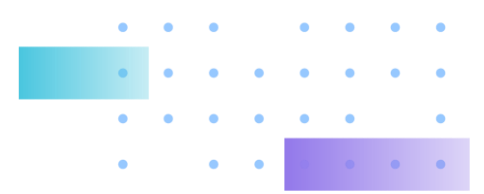
Intellectual property management system ( TIPS )

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# Intellectual Property Statistics

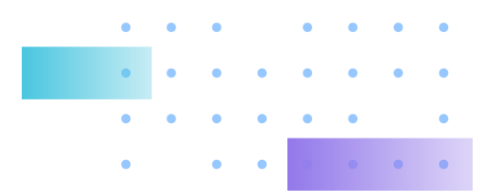


## Patent

As of December 31, 2021,

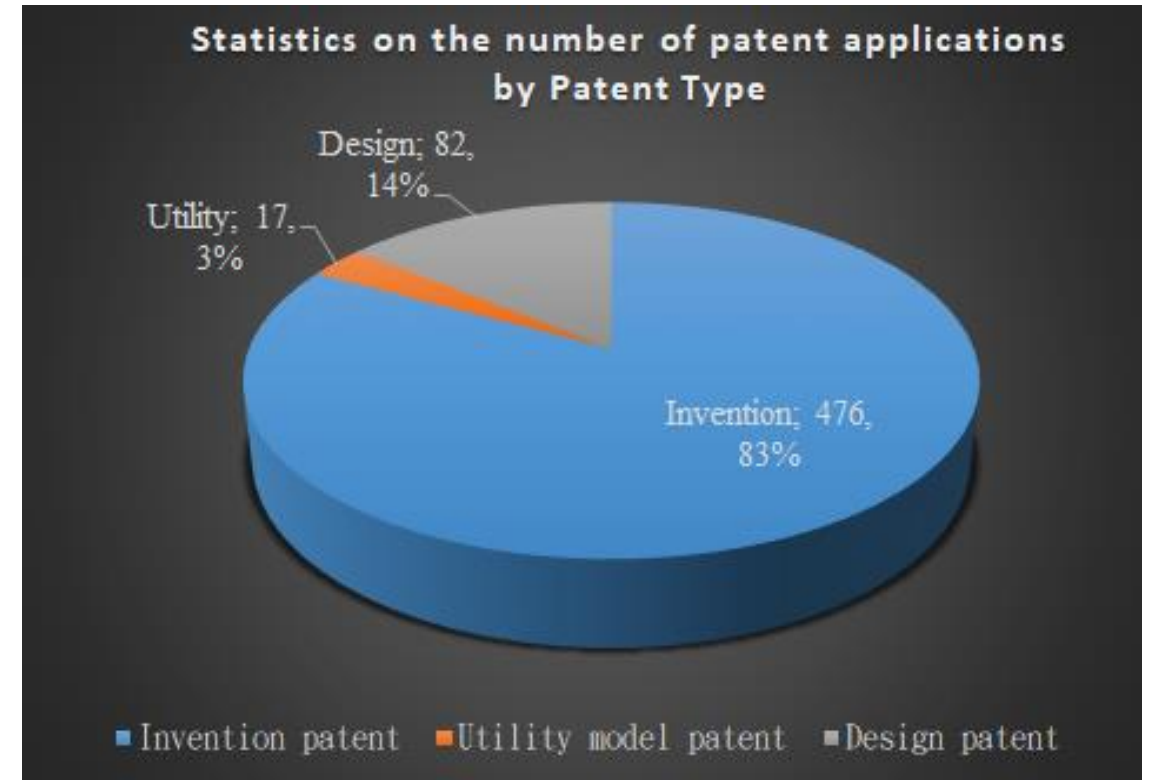
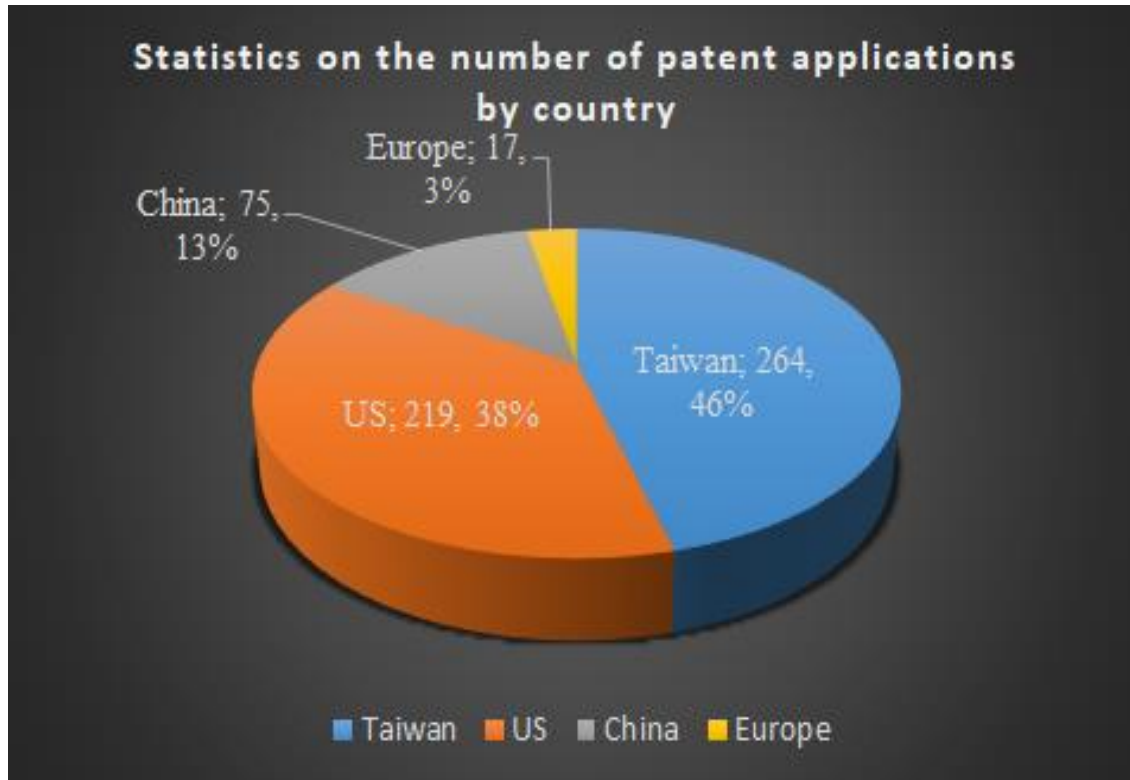
- ✓ Accumulated a total of **575** patent applications all over the world.
- ✓ The total number of global patent approvals has accumulated to **412**.
- ✓ **27** new patent applications in 2020.

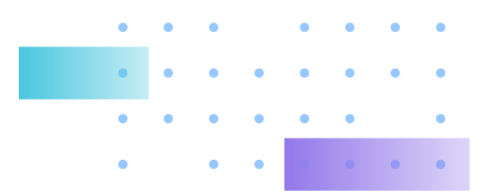
Intellectual property rights		Number of cases
Invention patent	Number of certificates received	323
	Number of applications	44
Utility model patent	Number of certificates received	17
	Number of applications	0
Design patent	Number of certificates received	72
	Number of applications	13
Copyright 、 trade secrets		Steady growth



# Intellectual Property Statistics

## ➤ Patent Application Country and Type Analysis





# Intellectual Property Statistics

## ➤ Trademark

As of December 31st, 2020,

✓ Obtained 66 trademarks in 42 countries.

Country	Number of approval cases	Number of application cases
Taiwan	15	
U.S.	4	
Mexico	4	
European Union	3	
China	2	
Indonesia	2	
other 36 countries	one for each	
total	66	0

**Intellectual Property Management Policies**

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# 2020 Intellectual Property Management Goals

## (a) At least 20 new patent applications

- 2020 actually achieved :
  - ✓ 12 new patent applications in Taiwan
  - ✓ 12 new patent applications in the US
  - ✓ 12 new patent applications in China
  - ✓ 1 new patent applications in European Union

## (b) Hold 2 training sessions

- 2020 actually achieved :
  - ✓ Training session -“Patent Infringement Verification” has been held on 2020/10/30 for colleagues related to product development.
  - ✓ Training session-“Practice in patent application” has been held on 2020/12/18 for colleagues related to product development.

## (c) 90% patent application approval rate in Taiwan

- The actual approval rate in 2020 is 77%.

## (d) 80% invention patent application approval rate in the US

- The actual approval rate in 2020 is 78%.

# 2021 Intellectual Property Management Goals

- (a) At least 15 new patent applications
- (b) Hold 2 training sessions
- (c) 90% patent application approval rate in Taiwan
- (d) 85% invention patent application approval rate in the US

In 2022, VIVOTEK will continuously carry out **patent analysis of key technologies and related industrial categories** by providing relevant information as reference for the product development team to understand the industry's advanced arrangement and development of patented technologies; based on this , the Company will form product development strategies to search for appropriate R&D technology areas.

In 2022, VIVOTEK will continuously obtain TIPS certification to safeguard its intellectual property system operations and **move towards achieving AA Level TIPS certification**, further strengthening its intellectual property application, from its current A Level TIPS certification.

VIVOTEK will complete **VIVOTEK's patent inventory and estimate values of the patents** to effectively activate and monetize the intellectual property.





# 2021 Intellectual Property Management Goals

- Patent Value inventory and estimation
  - ✓ inventorying VIVOTEK' patents by country and category
  - ✓ Survey **patent transactions information** in related fields (including: number of patents, prices, type, etc.)
  - ✓ Survey IP surveillance **market size information** by country
  - ✓ Survey patent litigation **compensation award information** by Country
  - ✓ Survey patent **application expenses information** by country and category
  - ✓ **Estimating the patent values of VIVOTEK**

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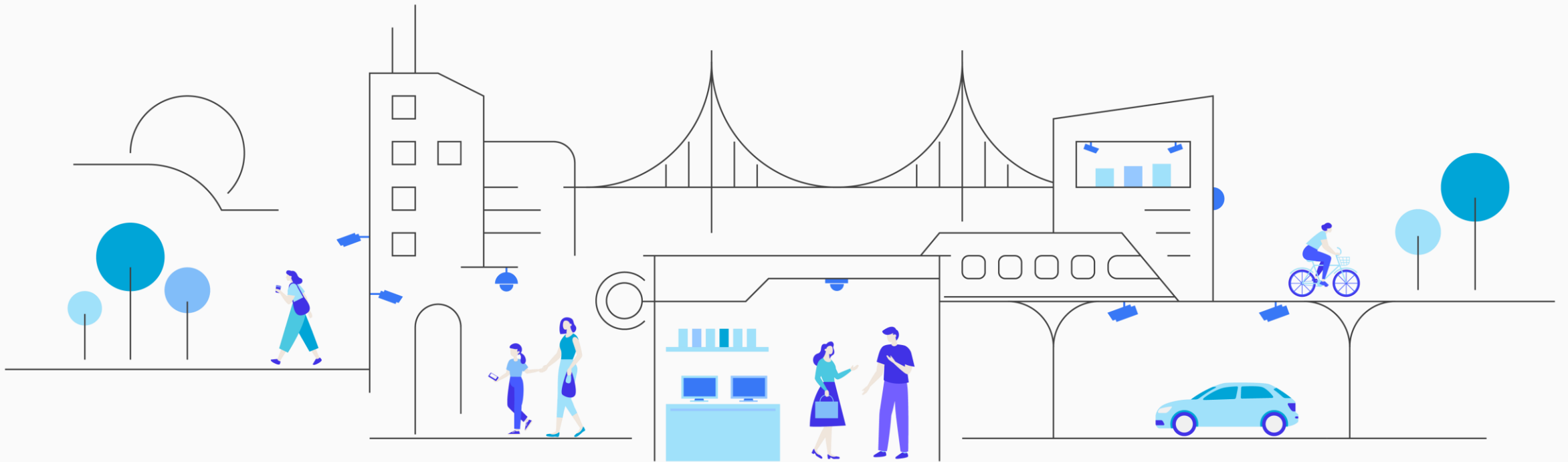
# Possible Intellectual Property Risks, Opportunities and Corresponding measures

Possible Opportunities	Corresponding Measures
<p>Industrial upgrading and transformation, creating company profits and value (opportunities)</p>	<p>VIVOTEK will carry out <b>patent analysis</b> of key technologies to understand the industry's advanced arrangement and development of patented technologies; based on this , the Company will form product development strategies to search for appropriate R&amp;D technology areas. Through its comprehensive intellectual property management system, the Company will provide the most appropriate protection and management mechanism for innovative R&amp;D. VIVOTEK will further <b>cultivate patents with key influences</b>, raises the threshold for industrial competition, transform from a surveillance hardware manufacturer to a system integration service provider, and <b>enhance the company's profits and values</b>.</p>
<p>Under the opportunity of National Defense Authorization Act (NDAA), replacing the market share of Chinese manufacturers (opportunity)</p>	<p>The intellectual property department <b>evaluates the possible risks and opportunities</b> in the new product development cases, conducts early risk management and intellectual property layout to effectively <b>reduce operational risks and strengthen the planning of intellectual property</b>, thereby improving <b>customer satisfaction and trust</b> in the company , enhance corporate reputation and brand image, increase cooperation and purchase willingness to increase market share.</p>

# Possible Intellectual Property Risks, Opportunities and Corresponding measures

Possible Risks	Corresponding Measures
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)	VIVOTEK will continuously implement the intellectual property management system and ensured its appropriateness and effectiveness through internal audit and external verification. Avoid risks such as patent infringement or confidentiality leakage.
When colleagues have little to no knowledge of intellectual property, it may cause damage to the Company's intellectual property management system.	VIVOTEK will take active measures, in addition to requiring all new employees to complete 0.5 hours of online basic intellectual property training and attend annual trainings (such as: intellectual property law, intellectual property search, intellectual property utilization...etc.) to increase their knowledge on intellectual property.

# Thank You for Your Attention.



**VIVOTEK**  
A Delta Group Company

**We Get The Picture**