

# Intellectual Property Management Report

\*This intellectual property management report has been presented to the board of directors on July 27, 2023.

Presenter: Joe

July 27, 2023

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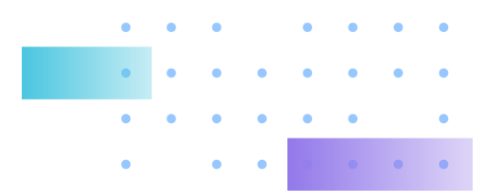
# Intellectual Property Management Policies

## Intellectual Property Management System ( TIPS )

## Intellectual Property Statistics

## Intellectual Property Management Goals

## Intellectual Property Risks, Opportunities and Corresponding measures



# Intellectual Property Management Policies

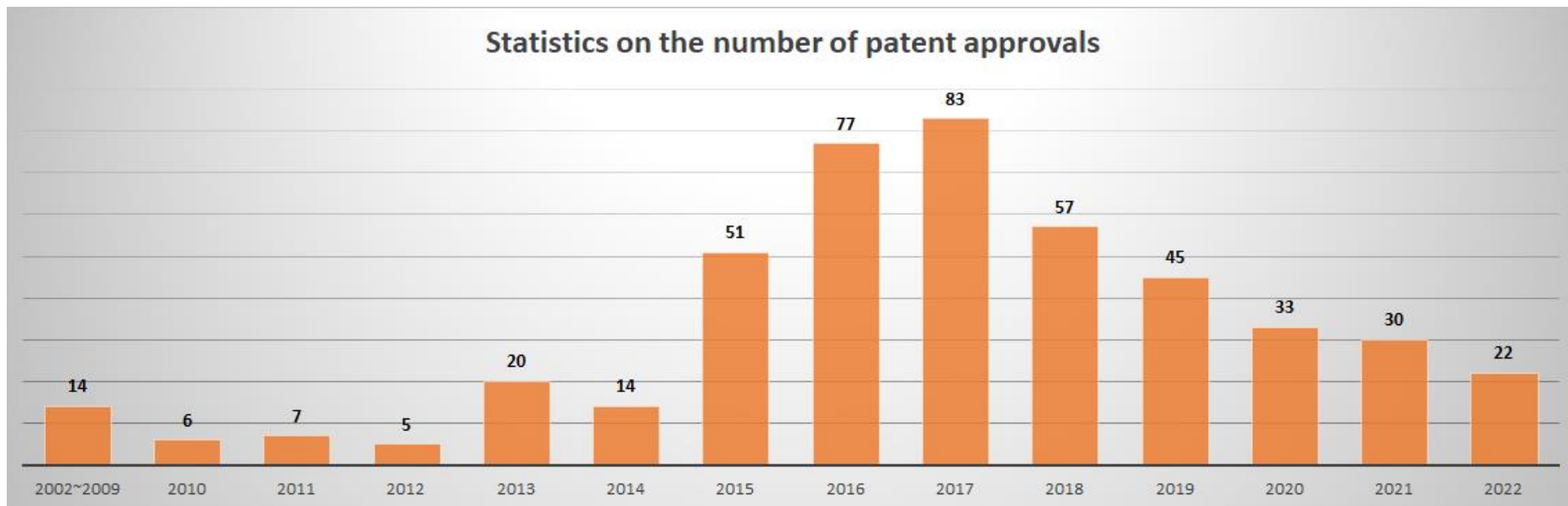
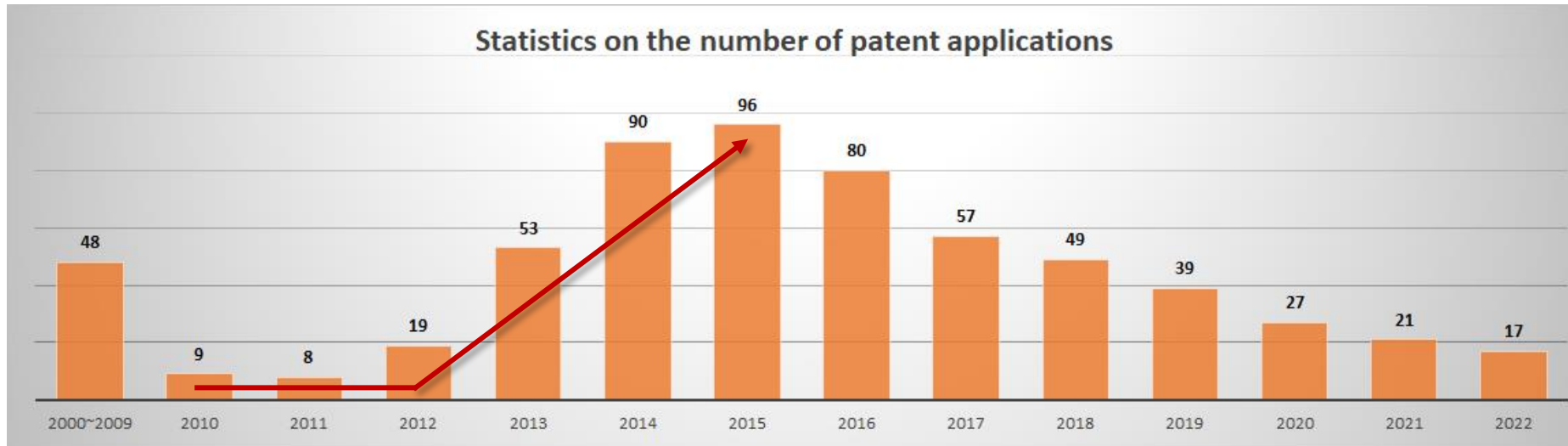
- 「 Deeply cultivate key technologies 」
- 「 Reduce operational risks 」
- 「 Strengthen the planning of intellectual property 」
- 「 Create intellectual property value 」

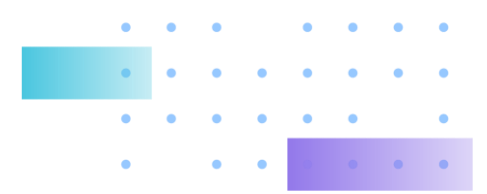
## Intellectual Property Management Strategy:

- 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

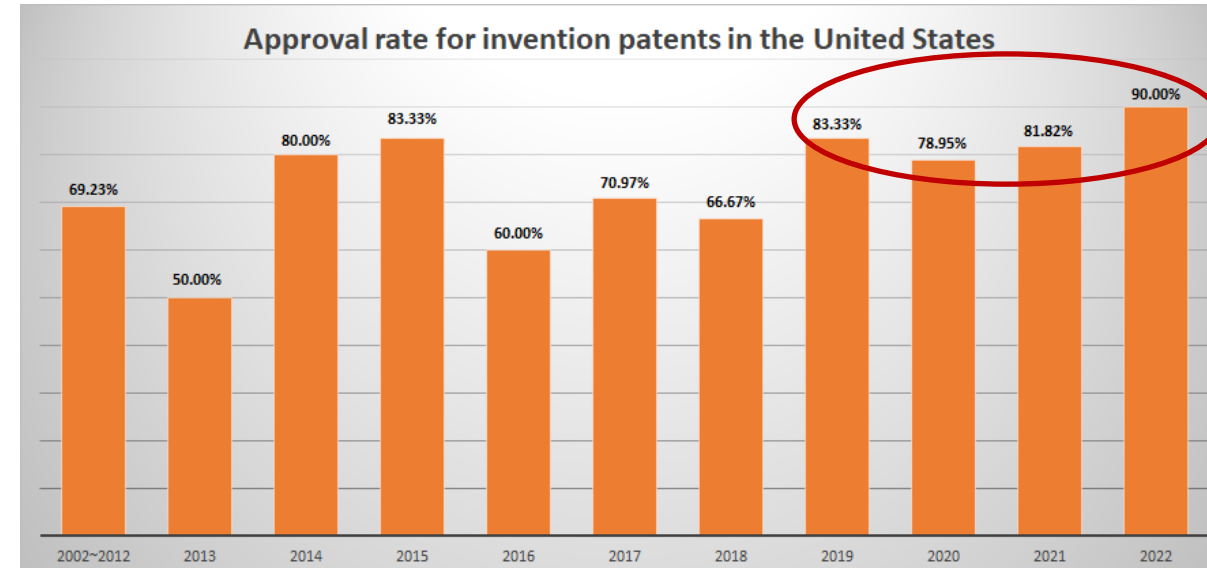
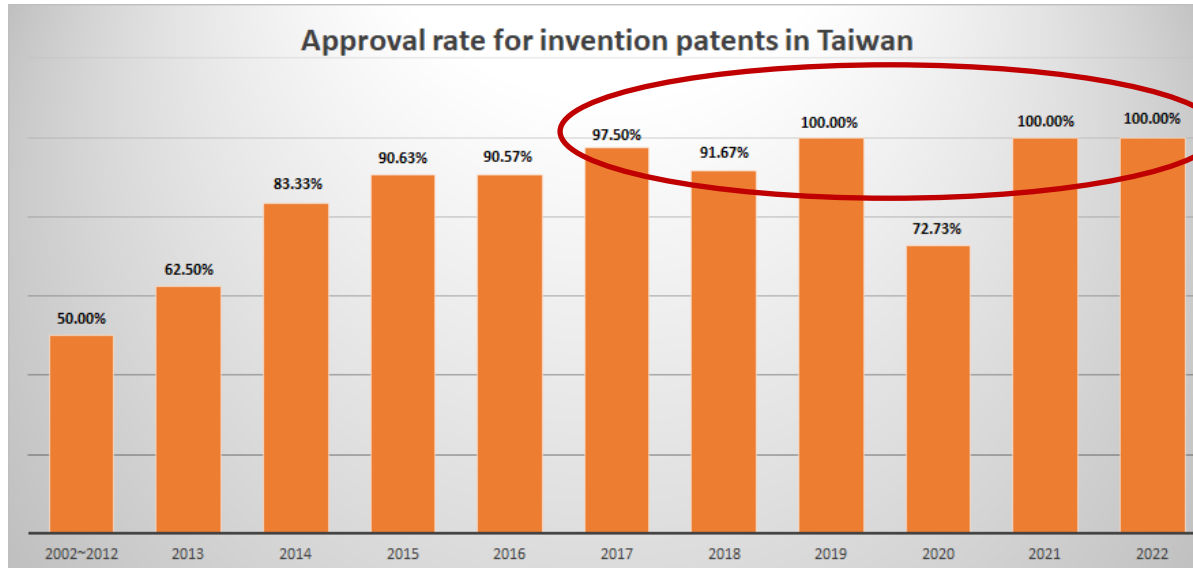
➤ 1st Stage - (2000-2016) experienced growth in the number of patents.

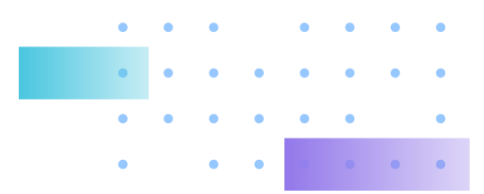




# Intellectual Property Management Strategy

- 2nd Stage - (2017-2023) focused on intellectual property quality, while increasing the number of valid patents.
  - ✓ For two consecutive years in 2021 and 2022, achieved a 100% approval rate for invention patents in Taiwan.
  - ✓ In 2022, the approval rate for invention patents in the United States reached 90%.





# 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

✓ Patent valuation assessments have been conducted for VIVOTEK and competing companies, and we will continue to update this assessment.

✓ VIVOTEK is collaborating with the Delta's IP team to develop an IP for Solution Business model.

✓ VIVOTEK is expected to join Delta's patent sharing platform and provide authorization within the group.

# Intellectual Property Management Policies

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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 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

VIVOTEK has obtained TIPS certification for 10 consecutive years since receiving its first in 2014. The latest verified date is September 5, 2022, and certification registration is valid until December 31, 2025.



# Intellectual Property Management Policies

Intellectual property management system ( TIPS )

Intellectual Property Statistics

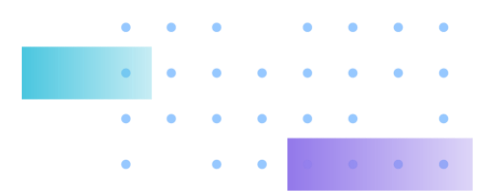
Intellectual Property Management Goals

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**VIVOTEK**

A Delta Group Company

# Intellectual Property Statistics

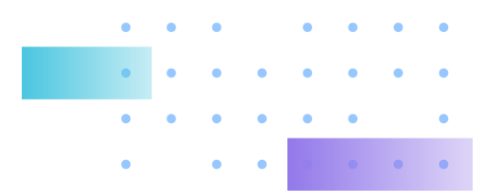


## Patent

As of December 31, 2021,

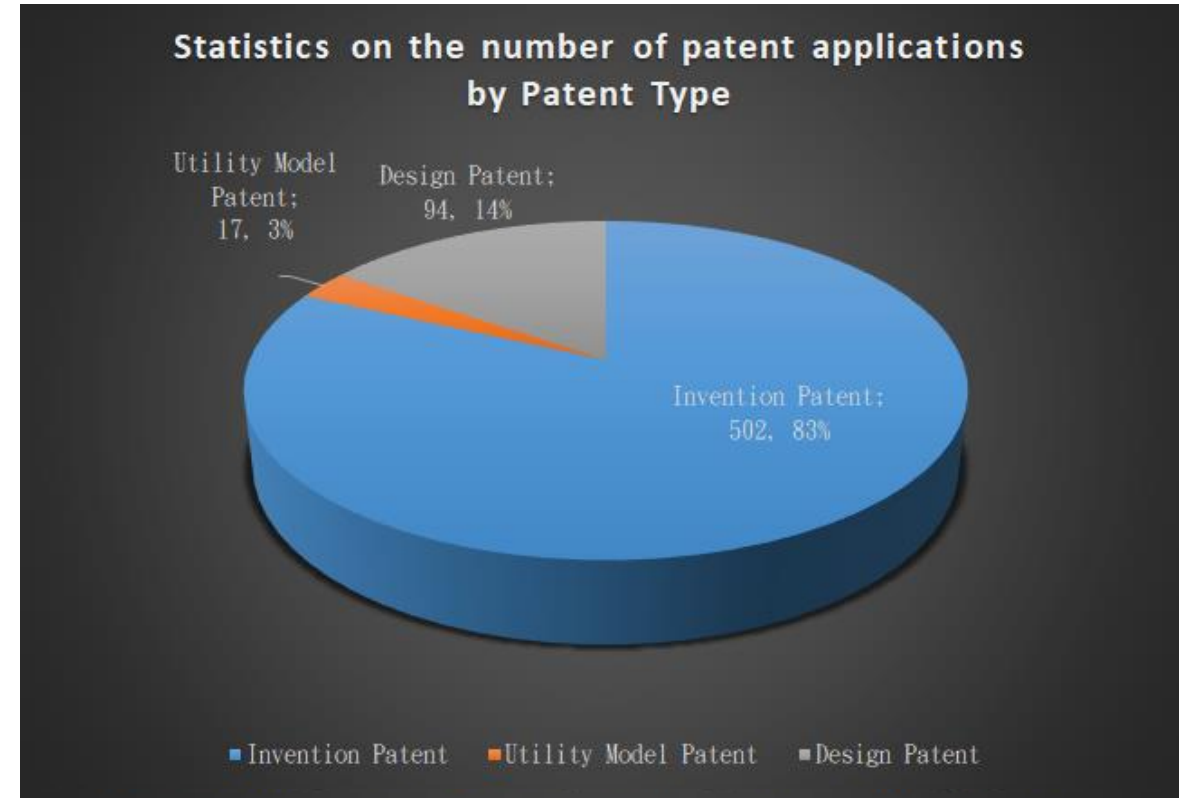
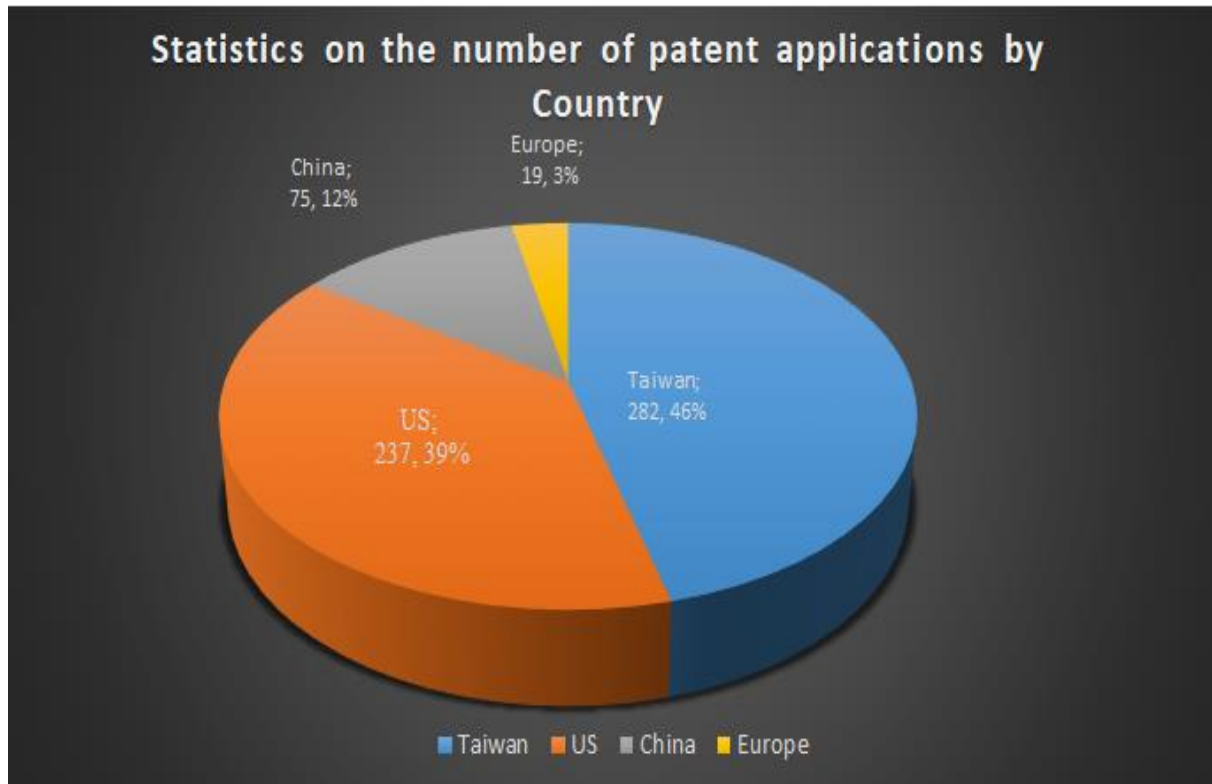
- ✓ Accumulated a total of **613** patent applications all over the world.
- ✓ The total number of global patent approvals has accumulated to **464**.
- ✓ **22 new patents approved in 2022.**
- ✓ **17 new patent applications in 2022.**

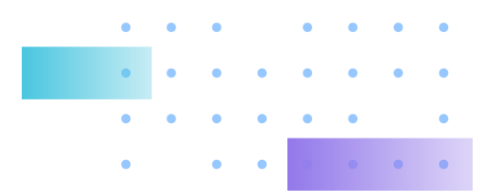
Intellectual property rights		Number of cases
Invention patent	Number of certificates received	364
	Number of applications	33
Utility model patent	Number of certificates received	17
	Number of applications	0
Design patent	Number of certificates received	83
	Number of applications	12
Copyright 、 trade secrets		Steady growth



# Intellectual Property Statistics

## ➤ Patent Application Country and Type Analysis





# Intellectual Property Statistics

## ➤ Trademark

As of December 31st, 2022,

- ✓ Obtained 121 trademarks in 42 countries;
- ✓ 25 trademarks are pending application.

Country	Number of application cases
U.S.	8
Canada	4
Taiwan	2
China	2
Saudi Arabia	2
Egypt	2
other 5 countries	One for each
total	25

Country	Number of approval cases
Taiwan	19
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	33
total	121

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**VIVOTEK**

A Delta Group Company

# 2022 Intellectual Property Management Goals

## (a) At least 15 new patent applications

- 2022 actually achieved :
  - ✓ 8 new patent applications in Taiwan
  - ✓ 12 new patent applications in the US
  - ✓ 1 new patent applications in European Union

## (b) Hold 2 training sessions

- 2022 actually achieved :
  - ✓ Training session -“The patent application strategies and utilization of core patents in Taiwan, China, and the United States” has been held on 2022/10/21 for colleagues related to product development.
  - ✓ Training session -“The basic legal concepts of trade secrets” has been held on 2022/12/23 for colleagues related to product development.

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

- The actual approval rate in 2022 is 100%.

## (d) 90% invention patent application approval rate in the US

- The actual approval rate in 2022 is 90%.

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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 <b>patent analysis</b> 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, <b>nurturing patents with significant impact to elevate the industry's competitive barriers</b>, ultimately <b>creating profit and value for the company</b>.</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 <b>evaluates the possible risks and opportunities</b> in the new product development cases, conducts early risk management and strategic IP planning to effectively <b>reduce operational risks and strengthen the company's IP portfolio</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>
<p>Increasing the number of trademarks can <b>enhance product identification</b>, representing an opportunity for the company. (opportunities)</p>	<p>Prior to <b>filing a new trademark application</b>, it's essential to conduct a trademark <b>search for previous cases</b> to assess the feasibility of the application. This approach ensures that the formal application is submitted only after a thorough evaluation, effectively <b>increasing the number of approval trademark registrations</b>.</p>

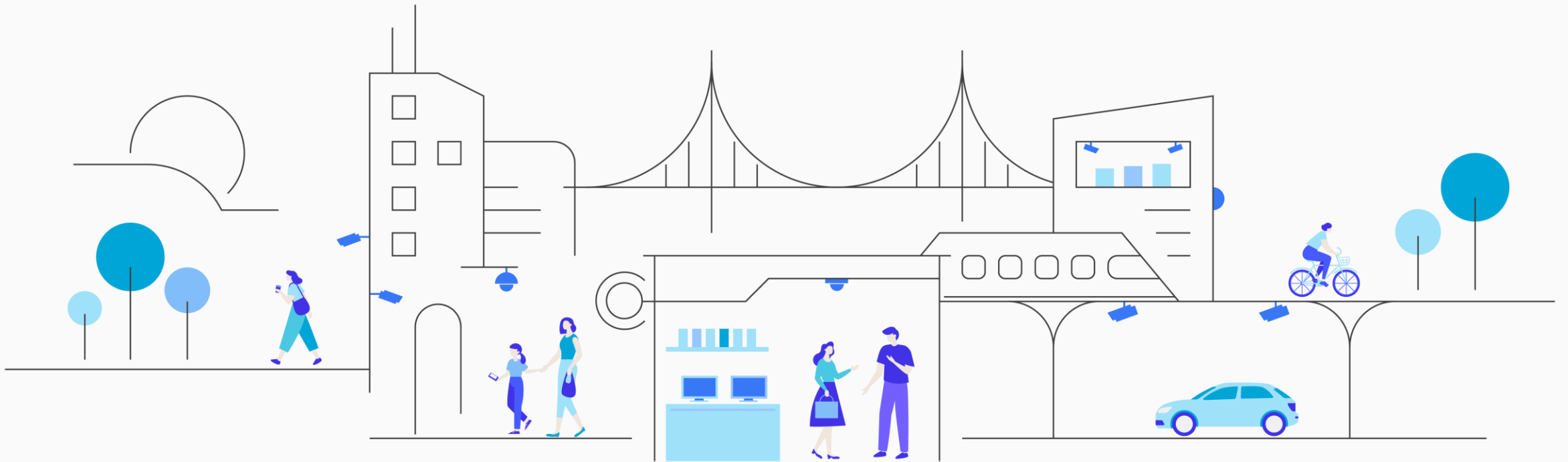
# Possible Intellectual Property Risks, Opportunities and Corresponding measures

Possible Risks	Corresponding Measures
<p>When colleagues <b>lack knowledge of intellectual property</b>, it may pose a threat to the Company's intellectual property management system. (risks</p>	<p>All <b>new colleagues</b> must complete basic intellectual property education training.</p> <p>Regular intellectual property education and training sessions should be organized to <b>enhance the intellectual property knowledge of colleagues</b>. 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. <b>Intellectual property education training</b> on intellectual property law, intellectual property search, intellectual property application, etc. is held twice a year for a total of 2 hours.</p> <p>Establish a <b>knowledge management system</b> for intellectual property and <b>actively share information with relevant departments</b>. Periodically update <b>industry-related intellectual property, business, and research and development information</b>, 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)	Disabling the USB ports on company computers is done to prevent colleagues from taking files out.
The use of unauthorized software will cause losses to the company. (risks)	Implementing a software download approval mechanism is essential to control the use and download of software. Any software download should undergo a review process by relevant company departments to restrict colleagues from downloading unauthorized software.
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)	Continuously implementing the intellectual property management system and ensured its appropriateness and effectiveness through internal audit and external verification. This process aims to make the system more robust and reduce the potential intellectual property risks.

# Thank You for Your Attention.



**VIVOTEK**  
A Delta Group Company

**We Get The Picture**