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**01 ITRI join hands with industry associations and tech giants to organize LOT Industry Alliance for combating patent trolls**

In recent years, industries around the world have been facing a surge in litigation risks posed by non-practicing entities (hereinafter “NPEs”), commonly referred to as “patent trolls”. According to the Intellectual Property Innovation Corporation’s (IPIC) research and statistics, as many as 70% of overseas patent infringement lawsuits involving Taiwanese enterprises between 2022 and 2024 were filed by NPEs. To assist industries’ defense against such threats, the Industrial Technology Research Institute (ITRI) announced on June 24, 2025 that it teams up with the Chinese National Federation of Industries, the Taiwan Electrical and Electronic Manufacturers’ Association, and the IPIC to officially organize the “LOT (License on Transfer) Industry Alliance”. Nearly 20 leading companies and tech giants from the semiconductor, information and communications technology, and PCB sectors, including TSMC, ASE, Powertech Technology, SPIL, Vanguard International Semiconductor, Gigabyte, Arcadyan, MSI, AEMC, Unimicron were invited to join the launch event to show their support. It is expected that the first wave of participation will pool together more than 150,000 valid patents that enable Taiwanese enterprises and research institutes to build a cross-industry “intellectual property protection network”.

To effectively defend NPEs, the LOT alliance model has been adopted by major technology companies around the world, such as, Google, Dropbox, Canon, SAP, and Red Hat. The Department of Industrial Technology, MOEA has been supporting ITRI’s R&D and patent deployment through dedicated technology projects and has been actively reinforcing Taiwan IP protection. Now ITRI has worked with industry partners to form the LOT Industry Alliance to create a comprehensive patent defense mechanism and build up a joint IP protection network for Taiwan, address NPE risks and enhances global competitiveness and resilience, and also demonstrate the government’s achievements of IP value creation and advanced technologies protection.

The LOT Industry Alliance operates under three core principles:

1. The Alliance does not interfere with the commercial competition among member companies;
2. The Alliance activates licensing only when a patent is transferred to NPEs and does not undermine the value of independent patent utilization;
3. The Alliance’s operation does not involve or require disclosure of technical details or trade secrets.

With the Alliance’s operation, member companies’ scattered patent portfolios will be consolidated and elevated into an industry-wide defense system. The Alliance will collaborate and build ties with similar international organizations and leading corporations to forge more comprehensive protection for Taiwanese enterprises while creating opportunities for diverse patent utilization. (Released 2025.06.24)

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**E250612Y1**

**02 Force Mos awarded USD10.5 million in patent infringement case against ASUS by U.S. court**

Force Mos Technology Co., Ltd. (hereinafter “Force Mos”), the MOSFET provider, released material information on June 18, 2025 that following a jury verdict delivered on February 13, 2025 (EST) in the U.S. District Court for the Eastern District of Texas in favor of Force Mos in its patent infringement lawsuit against Asus Computer, Asus was ordered to pay USD10.5 million (around TWD340 million) in damages to Force Mos. On June 10, 2025, the presiding judge of the U.S. District Court for the Eastern District of Texas signed

the final judgment sustaining Asus' willful infringement and ordered it to make a one-time payment of USD10.5 million as compensation to royalty damages plus pre-judgment interest applied to the awarded amount and calculated at the U.S. five-year Treasury bond rate, compounded quarterly. Further on June 12, 2025 (EST), the Court signed an amended final judgment revising Item 6 of the original judgment to state that Asus should pay to Force Mos an ongoing royalty in an amount of USD10.5 million in damages and Asus has 30 days to appeal.

According to Force Mos, its infringed U.S. patents involved in this case are the U.S. Patent Nos. 7629634 and 7812409, which covered a total of 7 MOSFET product components. Besides, under the U.S. Federal Rules of Civil Procedure, Force Mos, as the prevailing party, is entitled to seek recovery of litigation expenses, and therefore, Force Mos's legal term will submit a detailed fee statement and supporting documents as required by the court so as to safeguard its rights and interests to the fullest extent. (Released 2025.06.18)

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## **E250626Y3**

### **03 Lawnote founders given severe sentence for using web crawlers to scrape Lawbank's data**

Lawbank, one of the most prominent law databank in Taiwan, filed a complaint against Lawnote for copyright infringement by using web crawler to scrape and extract the legislative history, laws contents, and related attachments created and compiled by Lawbank and then storing such data in Lawnote's database for paid search services. The New Taipei District Court found Lawnote's two co-founders, Guo and Hsieh, guilty of violation of Copyright Act and sentenced them each to 4-year and 2-year imprisonment and also ordered that Guo and Hsieh and Lawnote should jointly and severally pay to Lawbank TWD105.45 million in damages.

Established in 1991, Lawbank has built and developed its legal search system by establishing its legal database and has partnered with numerous judicial agencies and private enterprises. On the other hand, Lawnote, founded in 2016, had operated under its brand name, "Lawnote 七法" to provide paid legal information search services.

In 2021, Lawbank filed a complaint against Lawnote after discovering that Lawnote reproduced from its database the bulk data containing the legislative history, laws contents, and related attachments compiled by Lawbank, which constituted copyright infringement. In August 2021, the New Taipei District Prosecutors Office conducted a search and seized Lawnote's personnel and financial information, notebooks, and also relevant electronic files stored in Lawnote's cloud system. Lawnote argued that the data is government-issued public data and amounts to public goods free of copyright issues. The prosecutor, however, found that Lawnote had used web crawling system to automatically search and download data from Lawbank's database and also reproduced the data of Lawbank's legislative history into its own servers, making them available to its customers through both paid and free services. The prosecutor ruled that such conduct has constituted the offense of "infringing on the economic rights of another person by means of reproducing his/her work without authorization with the intent to sell" as defined by the Copyright Act of Taiwan and also the offense of "obtaining, without reason, the magnetic record of another's computer" under the Criminal Code. Therefore, the prosecutor indicted Lawnote's two co-founders in August 2022.

After trial, the New Taipei District Court ruled that the "legislative history" data provided on Lawbank's platform qualifies as "compilation works" as defined by the 1<sup>st</sup> paragraph, Article 7 of the Copyright Act and hence should be protected as independent works. Moreover, the Court also found that Lawnote plagiarized Lawbank's copyrighted materials for commercial gains, and therefore, imposed heavy sentences on its two co-founders and

awarded Lawbank the damages in a full amount sought without any reduction. (Released 2025.06.26)

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## **E250626Y4**

### **04 Major LED lighting firm fined a hefty TWD2 million by FTC for abusive cease and desist letters in violation of Fair Trade Act**

The Taiwan Fair Trade Commission (“FTC”) announced in a press release that Everlight Electronics, Ltd. (hereinafter “Everlight”) engaged in obviously unfair conduct that is able to affect trading order by issuing cease and desist letters to its LED lighting distributors and thus violated Article 25 of the Fair Trade Act. The FTC ordered Everlight to cease its illegal conduct and fined TWD2 million.

According to the FTC, Everlight claimed ownership of three patents relating to LED chip components used in LED lighting products. The FTC’s investigation revealed that since October 2022, Everlight had issued cease and desist letters alleging patent infringement to several competitors’ downstream LED lighting distributors and major retailers, including ADATA Technology Co., Ltd. and Jan Cheng Lighting Co., Ltd., RT-Mart, Carrefour Market, Test Rite Retail Co., Ltd., PX Mart, and PChome. However, before issuing these letters, Everlight had neither obtained a court judgment sustaining the alleged infringement nor provided an independent third-party agency’s patent infringement analysis report. Instead, Everlight issued these letters and attached thereto only its internally prepared analysis report or lists of the alleged infringing products. Simply by doing so, Everlight asserted its patent rights against its competitors and their downstream trading counterparts (i.e., the distributors and retailers) and demanded the removal of alleged infringing products within a designated deadline. As such, distributors and retailers were unable to fully understand the situation of the alleged infringement occurrence for assessing if they should continue selling the alleged infringing products.

According to the FTC’s investigation, Everlight failed to, in advance or simultaneously, notified the relevant manufacturers, such as ADATA Technology Co., Ltd., to seek infringement removal before issuing the letters to their retailers. Moreover, in the letter, Everlight did not clearly specify the content and scope of its patents and the facts of infringement. As a result, the aforesaid major retailers were unable to determine whether the products truly infringed and, to avoid being involved into disputes, they immediately removed the alleged infringing products upon receipt of the letters. On the other hand, with no knowledge of this matter in advance, the manufacturers involved, such as, ADATA Technology Co., Ltd. and Jan Cheng Lighting Co., Ltd. were unable to prepare their defense against the infringement claims. Therefore, Everlight’s act of issuing such letters should be reprehensible under commercial ethics.

The FTC further found that even though Everlight provided advance notice to certain manufacturers, the alleged infringing products identified in those notices to the manufacturers were not consistent with those identified in the letters to the downstream retailers. For example, Everlight identified 4 infringing products in the letters to 2 manufacturers, while it informed the retailers in the letters that there were 6 or 33 infringing products. Moreover, in the letters issued to the retailers, Everlight demanded the retailers to dispose of the infringing products within an extremely short time period, such as, 3 days or 1 week. Also, Everlight had been consistently issuing more than one hundred cease and desist letters to over 80 small- and medium-sized retailers, including hardware and electrical supply stores, which led to the removal or suspension of sales of the competing lighting products. The FTC held that Everlight’s such conduct had already affected the trading order and thus violated Article 25 of the Fair Trade Act.

The FTC indicated that patentees are entitled to seek remedies for infringement according

to relevant IP-related laws to as long as their exercise of patent rights are not abused. It also noted that the “Disposal Directions (Guidelines) on the Reviewing of Cases Involving Enterprises Issuing Warning Letters for Infringement on Copyright, Trademark, and Patent Rights” has been enacted to guide businesses. Patent holders asserting their rights are reminded to comply with the Fair Trade Act and relevant regulations to avoid violating the laws. (Released 2025.06.26)

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