

## New Taipei District Prosecutors' Office Press Release

Yen-Chen Tsai and Yi-Chun Chou, prosecutors of the New Taipei Prosecutors' Office, filed an indictment against 14 former employees of Catcher Technology Company on July 15<sup>th</sup>, 2022 after leading the Investigation Bureau of the Ministry of Justice to investigate the suspects' multiple violations of the Trade Secrets Act and the Securities and Exchange Act.

Catcher Technology Company is one of the most important providers of the Iphone and Ipad for Apple Company of the USA and has the largest market share of the metal case industry in Taiwan. Luxshare Precision Limited of the Mainland China, a competitor of Catcher Technology Company, secretly offered enormous settlement allowances, annual salaries and promised high level positions to the Catcher Technology Company's research and development team based in Mainland China and led by defendant Cheng to solicit their cooperation in acquiring a great amount of sale and development related data possessed or known by the team while working in Catcher Technology Company. Luxshare Precision then poached the whole team to help building a new factory being able to produce the metal cases meeting the standards required by the Iphone and Ipad in a very short period of time, using the trade secrets stolen from the Catcher Technology Company. The research results of years of hard work by its engineers were stolen and massive damage was made.

To ensure the thoroughness of the investigation, the two prosecutors in charge of the investigation personally visited the factories and offices of Catcher Technology Company, reviewed its production processes, and examined its trade secret safeguard protocols. With the assistance of the digital investigation laboratory of the Taiwan High Prosecutors' Office and the Information and Communication Security Office of the Investigation Bureau of the Ministry of Justice, they also successfully identified the enormous amount of encrypted data saved, downloaded and passed forward by the 14 defendants which was the crucial evidence to prove that the defendants had reproduced and used the trade secrets of Catcher Technology Company without authorization. Besides, the prosecutors have led the police force to conduct four searches, interviewed all the defendants and numerous witnesses, and ordered seizures of the bank accounts used to receive the settlement allowances and salaries. The investigation has finally come to an end on July 15<sup>th</sup> after one and half years and the 14 defendants were charged with the violations of the paragraph 1 of article 171 of the Securities and Exchange Act, and the article 13-1 and 13-2 of the Trade Secrets Act for unauthorized reproduction and usage of trade secrets to be sued in Mainland China and for their breach of trust.

Trade secrets are crucial to the sustainability and competitive edge of any business. We would like to urge business employees to abide by relevant laws and contracts and

to commit to proper work ethics. The prosecutors, along with other judicial officials, will spare no efforts in pursuing charges against such offenses in the future to ensure a fair environment for business competition and development in Taiwan.