

Intellectual Property Management Plan & its Implementation

Acer, Inc. (“Acer”) has reported matters related to intellectual property (“IP”) management to the audit committee and the Board of Directors (“BOD”) since 2016. The most recent report to the BOD concerning the IP management plan, its implementation status, and related matters occurred on August 4, 2022, and subsequently received the BOD’s support.

Acer’s corporate mission is to "innovate and break down the barriers between people and technology," which has also been an important operational management tenet since the company was established in 1976. In order to strengthen Acer’s industry leadership, as well as maintain its advanced technology achievements and competitiveness in the global market, Acer created a sound IP management plan that supports its operational objectives. This IP plan not only protects Acer’s IP and operations, but also helps maximize Acer’s profits.

1. Patent Management

Acer’s patent management strategy primarily consists of patent maps, a patent management system, dispute resolution, and patent monetization. Acer fully protects its research and development (“R&D”) achievements and investments via the following: (i) establishing a cross-departmental Patent Review Committee to review patent applications and determine applicant rewards, (ii) educating and providing long-term training to internal employees, and (iii) actively participating in international standard-setting organizations concerning the formulation of technical standards for future generations.

Acer’s patent strategy is aligned with Acer’s key technology and product development directions. In order to build a solid IP portfolio and efficiently manage the patents, properly maintain records of technical ideas, search for previous cases, and manage patent applications, Acer digitized the following systems: (i) the R&D record book, (ii) the patent management system and (iii) the patent litigation management system. These systems allow Acer to effectively maintain and manage the use of patent assets, improve the efficiency of patent assets, and strengthen Acer’s competitive position in the industry.

2. Trademark Management

Acer uses a global multi-brand strategy, builds customer awareness and recognition of the brand through trademarks, and consolidates market advantages. The company introduced the trademark management system and trademark authorization system to process trademark applications, registrations, and uses by management. The use of these digital management systems allows Acer to conduct trademark searches to evaluate the relevant legal risks prior to submitting an application. The trademark team also provides employees with basic education and training concerning trademarks. Acer also understands the risk of trademark disputes and works to minimize such risk. Acer continues to optimize the use of its trademark assets, including disposing of idle or non-core business trademarks. With the trademark licensing program, existing trademark assets are extended to a wider range of industries, which not only increases Acer's income, but also strengthens the brand and business value.

3. Trade Secret Management

Acer employees are required to sign certain employment and confidentiality-related documents when they join Acer. The relevant sections include: (i) employees are required to keep the business secrets of Acer in confidence; (ii) employees who fail to keep Acer's business secrets are subject to discipline, including termination of employment, as well as liability for damages according to law; (iii) employees shall not disclose or use the business secrets of their former employers; and (iv) when employees resign, they must agree in writing to not disclosure Acer's trade secrets.

■ Summary of IP Management Plan

Since its establishment, Acer has continuously pursued and developed new technologies. In recent years, Acer has actively developed and deployed technology in the fields of 5G communication, heat dissipation, artificial intelligence, smart medical care and acoustics. Acer also researches and studies the latest IP cases and regulatory requirements related to IP rights, actively plans for future developments, and responds to potential operational risks.

■ Implementation

Acer has always attached great importance to IP rights, and is a pioneer in the introduction of IP electronic management systems in Taiwan, which it regularly updates to keep pace with changes in relevant laws and adjustments to its business. The main implementation cases in recent years include:

1. Patent

- In 2007, a digital patent management system was introduced, and the "Patent Application Examination Standards" were regularly reviewed.
- In 2008, expanded the Patent Review Committee to include product development, design, R&D, patent departments, and R&D executives who meet regularly to discuss patent management and the integration of company operations.
- In 2008, Acer joined the 3GPP communication standard technology group, and obtained 4G and 5G standard patents.
- In 2019, a digital electronic R&D record book system was introduced, which records the inventor's R&D process immediately and effectively, as well as effectively protects business secrets.

- Acer has a total of 7,171 patents approved globally, and a total of 2,426 patents which are under review.
- Acer has been ranked within the top five of patent applications in Taiwan for the past ten years.
- Hold IP-related education and training for R&D personnel every year.

2. Trademark

- In 2004, the trademark management system was introduced. In 2021, the trademark authorization system was introduced to manage and apply trademark-related strategies.
- As of July 1, 2022, the total number of valid trademarks registered worldwide has increased to over 2,674.

3. Other

- In 2023, Acer plans to apply for Taiwan IP Management System (“TIPS”) level-A verification. In 2022, Acer sent staff to participate in the TIPS self-evaluator certification program.