

*This news mail distributed in Japanese and English from time to time provides updates on the development of law in Taiwan with focus on intellectual property rights law. For more information about the status of intellectual property right protection and practice in Taiwan, please visit our website [www.tiplo.com.tw](http://www.tiplo.com.tw)*

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**01 Largest pirated teaching material case busted in recent years, with infringed market value reaching TWD10 billion**

A 30-year-old cram school instructor, surnamed Hou, in New Taipei City colluded with his father and elder sister to illegally reproduce and sell online a large quantity of teaching materials and examination papers published by nine publishers without their consent or authorization, thereby being suspected of violating the Taiwan Copyright Act. This case involves the estimated infringed market value in an amount of TWD18 billion and also illicit profits more than TWD15 million. The Criminal Investigation Bureau has arrested seven suspects, including Hou, his family, and employees.

Hou and two accomplices are alleged to have jointly engaged in the illegal sale of pirated teaching materials. They hired four employees to assist in scanning and reproducing the materials into electronic files, which were then photocopied and printed as paper examination papers or copied onto optical discs. The materials were sold through online e-commerce marketplaces or via the LINE messaging application, or uploaded to cloud storage platforms for purchase and download by unspecified buyers.

In March 2025, the prosecutor initiated a raid action in Luzhou District of New Taipei City and uncovered evidence indicating Hou's and the other suspects' violation of the Copyright Act, seizing more than 1,800 discs containing infringing pirated teaching materials, 3 disc-burning machines, 2 desktop computers, 4 external hard drives, 3 mobile phones, electronic records, more than 20 boxes of infringing examination papers, and 1 advertising flyer, among other items.

The investigation found that there had been nearly 10,000 transactions accumulated on online marketplaces involved in the case, involving illicit proceeds exceeding TWD15 million from 2022 through March 2025, which has caused substantial harm to the rights and interests of copyright holders. After questioning, this case was referred to the New Taipei District Prosecutors Office for investigation in accordance with the Copyright Act. (Released 2025.12.18)

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**E251202Y1**

**02 Ability Opto-Electronics Technology sues Powertip for patent infringement, seeks TWD53.3 million in damages**

On November 28, 2025, Ability Opto-Electronics Technology Co., Ltd. (hereinafter "Ability") initiated a civil action against Powertip Image Corp. (hereinafter "Powertip") and its responsible person, seeking damages for alleged patent infringement with the claimed amount totaling TWD53.3 million. In the civil action, Ability mainly requested for an injunction prohibiting Powertip and its responsible person from directly or indirectly, whether on their own or through third parties, manufacturing, offering for sale, selling, using or importing four-element optical lens products used in thin notebook computers, or any other optical lens products infringing the Taiwanese Invention Patents No. I506332 and No. I408409. Ability also sought an order demanding that Powertip shall cease the alleged infringement and destroy the infringing products.

Both Ability and Powertip are the suppliers of notebook camera lenses. Ability leads the global market of notebook camera lenses with a 70% market share, while 95% of Powertip's revenues arises from notebook camera lenses supplied to its major customers including Lenovo,

HP, ASUS, and Acer, among which Lenovo is Powertip's largest customer. The foregoing facts manifest the fierce competition between the two companies in the notebook camera lens market. (Released 2025.12.02)

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## **E251224Y9**

### **03 Taiwan's AI Basic Act clears legislature**

The Ministry of Digital Affairs ("MODA") issued a press release indicating that the Legislative Yuan of Taiwan approved the bill of the Artificial Intelligence Basic Act on third reading on December 23, 2025. This Act is enacted to promote human-centered AI research and development and AI industry growth, establish a safe environment for AI application, and fulfill digital equality and secure people's fundamental rights. In addition, this Act aims to ensure technological application in line with social ethics, uphold national cultural values, enhance international competitiveness, so as to lay down legal foundation for AI development and governance.

1. The Executive Yuan has undertaken to formulate and promote the Artificial Intelligence Basic Act since 2024.

In response to the recent boom in the development of AI technologies, the National Science and Technology Council (NSTC) has set out to draw up a draft of Artificial Intelligence Basic Act (hereinafter the "Act") since 2024, which involved multiple rounds of consultations with the industry, the government, and the academia and also expert meetings. The Executive Yuan also convened inter-ministerial coordination meetings to deliberate on the provisions in order to build the consensus of all sectors. As a result, the draft AI Basic Act was announced for public comment on July 15, 2024. In 2025, MODA took over the responsibility to promote the legislation of the Act, while simultaneously formulating an "Artificial Intelligence Risk Classification Framework".

During this period, several legislators had turned their attention to this Act. Beginning in April 2025, the Legislative Yuan convened a series of public hearings and committee review meetings. In addition to participation in these deliberations, MODA had actively engaged in consultations with legislators for their proposed amendments. Through the joint efforts with all parties involved, the Act was progressively refined and completed.

2. The Act is to lay down AI governance principles and to balance development and security.

The Act affirms seven core principles to guide the government's promotion of the research, development, and application of AI, which are sustained development and welfare, human autonomy, privacy protection and data governance, cybersecurity and safety, transparency and explainability, fairness and non-discrimination, and accountability. Moreover, the implementation process will take into account both social equality and environmental sustainability, and provide appropriate education and training to narrow digital divide. In the meantime, cybersecurity protection measures will be established to ensure system stability and security and appropriate information disclosure or labeling shall be applied to the outputs generated by AI.

3. The Act is to establish AI innovation ecosystem on a human-centered basis.

The key policy priorities of the Act include setting aside ample funds for AI, introducing incentives, subsidies, and preferential measures for AI industry, providing an innovation-friendly environment for experimentation, promoting talent exchange and infrastructure

building, and establishing a data governance mechanism, in order to create an innovative and friendly ecosystem for Taiwan's AI industry.

Following the enactment of the Act, the government will continue its role in inter-ministerial coordination and guiding Taiwan in leveraging its semiconductor advantages toward integrated hardware-software development while fully promoting AI industries and applications rooted in human rights and digital equity. (Released 2025.12.24)

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