

Taiwan's HTC designer indicted for leaks to China

TAIPEI, TAIWAN: Taiwanese prosecutors on Friday indicted a chief designer and five employees at leading smartphone maker HTC for allegedly leaking crucial trade secrets to China and breach of trust.



Taipei, where state prosecutors have charged Chien Chih-lin, HTC's vice president of product design, with leaking information relating to "highly valuable" designs for a yet-to-be-launched smartphone interface to unidentified individuals in Beijing. (Image: Wikimedia Commons)

Chien Chih-lin, vice president of product design, was charged with leaking information relating to "highly valuable" designs for a yet-to-be-launched smartphone interface to unidentified individuals in Beijing in an attempt to set up a joint new company in China, prosecutors said.

Chien was also charged with breach of trust for allegedly taking kickbacks and falsifying expenses totalling around Tw\$33.56m (US\$1.12m) from suppliers, the Taipei district prosecutors' office said in a statement.

Prosecutors requested a heavy sentence for Chien on the grounds that he has caused serious damages to HTC and has shown no remorse for his actions, the statement said. Both offences carry a maximum 10-year jail term.

Five of Chien's colleagues at product design and manufacturing design divisions were also charged for their alleged involvement in the case.

In August, investigators searched HTC's research and development centre as well as the suspects' offices and homes after the company accused them of stealing the interface technology and alerted the authorities.

"The company expects employees to observe and practise the highest levels of integrity and ethics. Protecting the company's proprietary and intellectual properties, privacy and security is a core fundamental responsibility of every employee," HTC said in a statement.

As well as selling its own smartphones, HTC makes handsets for a number of leading US companies and supplies Google's Nexus One.

In the third quarter, HTC swung to its first net loss of US\$101m since listing in 2002, as it struggles to increase its foothold in the highly competitive smartphone market.

Source: AFP, via I-Net Bridge

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