

The US Department of Justice last week filed criminal charges against Chinese state-owned Fujian Jinhua Integrated Circuit Co Ltd and its Taiwanese partner, United Microelectronics Corp (UMC), for allegedly stealing trade secrets from US-based Micron Technology Inc. The charges are the latest in a series of technology theft cases facing Chinese companies as Washington increases pressure on Beijing over trade policies and the alleged theft of US intellectual property.

Earlier in the week, US federal prosecutors charged two Chinese intelligence officers and eight accomplices with commercial espionage, including conspiring to steal information on commercial aircraft engines being developed by US and French firms.

The case was the third time since September that US authorities have charged intelligence officers from the Chinese Ministry of State Security and those working for them with stealing corporate secrets, the US Department of Justice said.

Concerned over possible espionage, the FBI has also challenged the role played by several Chinese-American scientists in a program known as the Recruitment Program of Global Experts.

As the US government digs in for a fight with China over the theft of trade secrets, Taiwan has its own story to tell, but finds itself in an uncomfortable situation.

The Wall Street Journal reported in July that China has been systematically raiding Taiwan for trade secrets and technology in the chipmaking sector, and said that commercial espionage cases had more than doubled from eight in 2013 to 21 last year.

Companies such as Taiwan Semiconductor Manufacturing Co, Nanya Technology Corp and a local arm of Micron are among the victims that saw former executives join competing firms and share important trade secrets with them.

## Trade secrets laws must be acted on

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A 2013 amendment to the Trade Secrets Act ( Trade Secrets Act ) provided increased penalties and criminal liability for cases of international scope, as well as the establishment of internal control mechanisms at local companies, but corporate espionage by China continues, with experts calling for comprehensive measures against the theft of trade secrets to avoid negative effects on national security and technological competitiveness.

However, the key is whether Taiwan's courts can use whatever means possible to effectively protect the trade secrets of local companies.

Taiwan has worked hard to persuade other nations that it has adopted effective measures to protect intellectual property, and that it can be a trusted trading partner.

In September last year, the Taichung District Court attempted to make good on the government's stated commitment to crack down on corporate espionage by charging UMC and some former employees with using trade secrets from Micron's local unit.

However, the case and the latest US charges against UMC highlight what a difficult situation Taiwan is in as a nation that plays a key role in the global tech supply chain, but finds itself in the middle of heightened US-China trade tensions.

As Taiwan continues to seek foreign investment to support its export-reliant economy, especially from US firms, finding a balanced solution to address everyone's concerns would be in the nation's best interest.

With the continuous poaching of Taiwan's semiconductor expertise and talent by Chinese companies on the one hand and major economies' growing concern regarding the theft of valuable trade secrets by Chinese firms on the other, the government and the business community must not overlook the implications behind the latest US actions.

Laws against corporate espionage and the willingness to combat it are one thing, but honoring that commitment and effectively enforcing the laws are just as important.

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