

JOINT STATEMENT OF THE 25th MEETING OF THE WORLD SEMICONDUCTOR COUNCIL (WSC)

June 2nd, 2021 Virtual

[Excerpt]

Effective Protection of Intellectual Property

A. Abusive Patent Litigation (NPEs/PAEs)

The WSC recognizes that abusive patent litigation seriously undermines innovation by redirecting resources to unnecessary litigation expenses and makes it more difficult for companies to bring legitimate products to market. Additionally, the WSC notes that not all regions have fully implemented the WSC Best Practices to Combat Abusive Patent Litigation, as set forth in Annex 2 to the 2017 WSC Joint Statement. The WSC encourages GAMS to support the WSC best practices to combat abusive patent litigation.

B. <u>Trade Secrets</u>

Trade secret theft impedes continued semiconductor research and development where companies must make substantial investments to build ever more advanced generations of semiconductors. Given the rapid speed of innovation in the semiconductor industry, trade secret theft can cause companies to quickly lose their competitive advantages and market shares unfairly. Trade secret theft can be extremely difficult to protect against. The rapid growth of the Internet has resulted in companies facing greater threats of trade secret theft. Such threats are magnified due to the critical role of semiconductors in emerging technologies, such as artificial intelligence and the Internet of Things.

The WSC therefore continues to monitor and study this problem and potential remedies. The WSC strongly supports national legislative initiatives to improve the protection of trade secrets, and urges GAMS to adopt strong trade secret protections in trade agreements and domestic laws. The WSC recently conducted a survey among its members (see Annex 1) to evaluate the implementation of the WSC Core Elements for Trade Secret Protection Legislation. The WSC notes that not all regions have fully implemented these Best Practices and <u>reiterates its call on GAMS to support the WSC "Core Elements for Trade Secret Protection Legislation."</u>