

## Taiwan probes HTC staff over secrets theft

TAIPEI, TAIWAN: Taiwanese prosecutors are investigating allegations that three employees at leading smartphone maker HTC stole trade secrets to sell to Chinese firms, reports said on Saturday.

Investigators Friday searched HTC's research and development centre as well as the suspects' offices and homes after the company accused them of stealing key interface technology, according to the Taipei-based China Times newspaper.

HTC said the three men were suspected of discussing plans with unidentified Chinese firms to acquire the technology, the report said.

The technology is to be used in HTC's new Sense 6.0 smartphones, which are set to be unveiled later this year.

The men were identified as HTC's chief industrial designer, a division chief and a designer. They have not been arrested and reportedly deny the accusations.

The company accused them of stealing trade secrets and breach of trust, with both offences carrying a maximum 10-year jail term.

They were also accused of illegally claiming more than Tw\$10m (US\$330,000) in design fees from the company with falsified vouchers, the China Times added.

The men were said to have set up their own smartphone design companies in both Taiwan and China, according to the state Central News Agency.

"The matter is under investigation by relevant authorities. We therefore refrain from further comments," HTC said in a statement. Prosecutors were not immediately reachable.

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

The firm has been struggling against fierce competition from international rivals, and second quarter net profit plunged 83% compared to last year.

According to research firm IDC, HTC held a 4.6% share of the global smartphone market in 2012, a sharp decline from 8.8% a year earlier. Samsung held a 30.3% stake while Apple had 19.1%.

Source: AFP, via I-Net Bridge

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