

US sanctions five Chinese entities over ex-Google engineer's AI trade secrets theft

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The US State Department announced on Monday that it was imposing sweeping sanctions under the Protecting American Intellectual Property Act (PAIPA) on five Chinese entities suspected of stealing trade secrets from American companies.

The targets include Shanghai Zhisuan Technology, founded by former Google software engineer Ding Linwei, venture capital firm MiraclePlus and three related entities.

Ding was convicted of seven counts of trade secret theft in January. A federal judge subsequently acquitted him on seven additional counts of economic espionage, finding insufficient evidence that he knew or intended at the time of the thefts that his conduct would benefit the Chinese government. The theft convictions remain in place.

According to the original indictment against Ding, he stole confidential code related to Google's AI supercomputing infrastructure, including technical details of tensor processing units (TPUs), graphics processing unit (GPU) systems and networking components used to train and deploy large-scale AI models.

Video 6

27:50

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The technology is strategically important to China's AI industry. With high-performance chips subject to export controls, efficiently coordinating and scheduling thousands of chips for large-model training has become one of the biggest barriers to developing super intelligence (SI).

Google's software can significantly improve the utilisation efficiency of large computing clusters. A superseding indictment in February 2025 said Ding applied to a talent programme in Shanghai.

His application material stated that his product "will help China to have computing power infrastructure capabilities that are on par with the international level".

Ding joined Google in May 2019 as a software engineer and mainly worked on software development for Google's supercomputing data centres, giving him access to the company's core technology assets.

According to the superseding indictment, he secretly uploaded more than 1,000 unique Google files to his personal cloud account from May 2022 to May 2023. While employed at Google, he secretly founded technology companies in China without notifying the company and pitched his "mastery of Google's computing platform technology" to attract investment.

Ding resigned from Google in late 2023 and booked a one-way ticket from San Francisco to Beijing. The FBI arrested him in March 2024. In January this year, a federal jury in San Francisco convicted him on 14 counts, including seven counts of economic espionage and seven counts of trade secret theft.

In August, federal District Judge Vince Chhabria ruled that prosecutors had not presented enough evidence to prove that Ding "knew or intended" that his conduct would benefit the Chinese government, and overturned all the economic espionage counts while upholding the trade secret theft convictions.

On September 1, Ding was sentenced to 12 months minus one day in prison and ordered to pay about US\$198,000 in restitution.

The State Department's sanctions list under PAIPA comprehensively cut off the company Ding founded and the

capital network behind it.

The US State Department announced on Monday that it was imposing sanctions on five Chinese entities suspected of stealing trade secrets from American firms. Photo: Reuters

The sanctioned entities include Shanghai Zhisuan Technology, which Ding founded in 2023. The company claimed to have experience with Google's TPU Superpod, which clusters up to 9,600 chips into a single logical network, and explicitly said it could replicate Google's SI infrastructure technology.

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They also include MiraclePlus, a well-known start-up incubator and venture capital firm that provided seed funding in exchange for equity in Shanghai Zhisuan and gave it a platform to showcase itself and attract follow-on investment.

"Ding, using the stage provided by MiraclePlus to present his company, Zhisuan, touted his connection to Google technology and his ability to replicate its technology to fit China's national conditions," the sanction statement said.

The list further includes two venture capital funds managed by MiraclePlus – Beijing Qiji Chuangtan Phase I Venture Capital Centre Limited Partnership (Phase I) and Beijing Qiji Chuangtan Phase II Venture Capital Centre Limited Partnership (Phase II) – and Beijing Qiji Chuangtan Zhiyuan Enterprise Management Centre Limited Partnership (Zhiyuan Enterprise), a corporate management entity wholly owned by the Phase I fund.

The five entities will face a series of financial and commercial measures, including asset freezes, a ban on transactions with US individuals and entities, and restrictions on financial services and foreign-exchange licenses.

The companies did not immediately respond to a request for comment.