

# Power Integrations Announces Further Infringement Findings Against Fairchild Semiconductor

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Fairchild found for a fifth time to infringe Power Integrations patents; U.S. Patent Office has rejected Fairchild patent claims found to be infringed by Power Integrations

SAN JOSE, Calif.--(BUSINESS WIRE)-- Power Integrations (Nasdaq:**POWI**), the leader in high-voltage integrated circuits for energy-efficient power conversion, today announced the latest result in its ongoing patent litigation against Fairchild Semiconductor. After a two-week trial, a Jury in the U.S. District Court for the District of Delaware ruled that Fairchild infringes another Power Integrations patent, U.S. Patent No. 7,995,359, and that Fairchild has contributed to and induced infringement by its customers. The infringed patent relates to zero-standby technologies; Power Integrations intends to seek a permanent injunction to prevent the sales and importation of infringing products and products with substantially similar circuitry. Though a second Power Integrations patent was found by the Jury not to be infringed, the accused Fairchild products are already covered by infringement findings from the parties' prior litigation.

Filed by Fairchild in 2012, the case initially included four patent claims against Power Integrations, three of which were eliminated from the case prior to trial. The Jury did rule that Power Integrations induced infringement of a Fairchild patent that the company had previously been found to infringe with respect to its LinkSwitch™-II products, and awarded damages of \$2.4M. However, the Court has already rejected Fairchild's earlier request for an injunction on that patent. Moreover, the U.S. Patent Office has rejected all of the asserted claims of Fairchild's patent in re-examination in view of Power Integrations' own prior patents. As such, Power Integrations does not anticipate any disruption in the supply of LinkSwitch-II products, the only Power Integrations product family at issue in this case.

The latest verdict marks the fifth finding of infringement of Power Integrations' patents by Fairchild and its System

General (SG) subsidiary. In 2006, Fairchild was found to infringe four of Power Integrations' patents, resulting in a permanent injunction against more than 100 infringing Fairchild products. The court subsequently described Fairchild's behavior as "blatant copying," and the finding that Fairchild copied Power Integrations' patented technology was confirmed on appeal. Last year, Fairchild was ordered to undergo third-party monitoring after Fairchild was found to have repeatedly violated the Court's injunction. Also in 2006, the International Trade Commission found that SG infringed two of Power Integrations' patents, and the ITC issued an exclusion order barring the infringing products from the U.S. market.

In 2012 another Jury in Delaware found that Fairchild infringed two Power Integrations patents, a decision that led to a permanent injunction against approximately 80 Fairchild products. Last year, a Jury in the Federal District Court in California found that Fairchild infringed two other Power Integrations patents; Power Integrations is seeking a permanent injunction against the approximately 140 Fairchild products implicated in that decision, and a trial to determine damages in that case is scheduled for December 2015.

Commented Balu Balakrishnan, president and CEO of Power Integrations: "Given that the Patent Office had already rejected Fairchild's patent in reexamination, Fairchild's lawsuit was a wasteful and unnecessary attempt by Fairchild to distract from their record of repeatedly violating our intellectual property rights. Nevertheless, this latest verdict ensures that another of Power Integrations' important innovations will be protected."

## About Power Integrations

**Power Integrations, Inc.** is a leading innovator in semiconductor technologies for high-voltage power-conversion. The company's products are key building blocks in the clean-power ecosystem, enabling the generation of renewable energy as well as the efficient transmission and consumption of power in applications ranging from milliwatts to megawatts. For more information please visit [www.power.com](http://www.power.com).

## Note Regarding Forward-Looking Statements

The statement in this press release that the company expects no disruption in the supply of LinkSwitch-II products is a forward-looking statement reflecting management's current expectations and beliefs. This forward-looking statement is based on current information that is subject to change. Due to risks and uncertainties associated with the company's business and the litigation process, actual results could differ materially from those projected or implied by this forward-looking statement. General risk factors associated with the company's business are more fully explained under the caption "Risk Factors" in the company's most recent Quarterly Report on Form 10-Q, filed with the Securities and Exchange Commission (SEC) on April 30, 2015. The company is under no obligation to update or alter its forward-looking statements, whether as a result of new information, future events or otherwise, except as otherwise required by the rules and regulations of the SEC.

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