

MPS Wins Attorneys' Fees And Costs In Patent Dispute

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Monolithic Power Systems (MPS) (Nasdaq: MPWR), a leading fabless manufacturer of high-performance analog and mixed-signal semiconductors, today announced that the United States District Court for the Northern District of California had issued an order finding O2 Micro International, Ltd. (O2 Micro)liable for approximately \$340,000 in costs and MPS's "reasonable attorneys' fees" in connection with the patent litigation that MPS won last year.

O2 Micro filed complaints against MPS in both the United States International Trade Commission and the Northern District of California, alleging that MPS infringed four O2 Micro patents but then voluntarily dismissed three patents. In June 2010, the ITC found that MPS's products did not infringe O2's patent. Subsequently, O2 Micro unilaterally dismissed its infringement claims with prejudice, and granted MPS and its customers broad covenants not to sue in the district court case.

On March 3, 2011, the Court ordered O2 Micro to pay MPS \$339,315.13 in costs. The Court also found that "O2 Micro engaged in a vexatious litigation strategy and litigation misconduct," entitling MPS to its reasonable attorneys' fees. O2 Micro's vexatious litigation strategy consisted of filing lawsuits against MPS and its customers; only to dismiss them after substantial litigation had taken place. This allowed O2 Micro to damage MPS's business while avoiding trials at which the validity of its patents would be challenged.

The Court has deferred ruling on the appropriate amount of fees and has ordered the parties to attempt to reach agreement as to the appropriate figure. If the parties cannot reach agreement, MPS is to file documentation supporting its fees request.

MPS is represented in this case by Latham & Watkins LLP and Finnegan, Henderson, Farabow, Garrett & Dunner LLP. MPS trial counsel include Dean Dunlavey, Mark Flagel, Smith Brittingham, Lionel Lavenue and Scott Mosko.

About Monolithic Power Systems, Inc.

Monolithic Power Systems, Inc. (MPS) develops and markets proprietary, advanced analog and mixed-signal semiconductors. The company combines advanced process technology with its highly experienced analog designers to produce high-performance power management integrated circuits (ICs) for DC to DC converters, LED drivers, Cold Cathode Fluorescent Lamp (CCFL) backlight controllers, Class D audio amplifiers, and Linear ICs. MPS products are used extensively in computing and network communications products, LCD monitors and TVs, and a wide variety of consumer and portable electronics products. MPS partners with world-class manufacturing organizations to deliver top quality, ultra-compact, high-performance solutions through the most productive, cost-efficient channels. Founded in 1997 and headquartered in San Jose, California, the company has expanded its global presence with sales offices in Taiwan, China, Korea, Japan, and Europe, which operate under MPS International, Ltd. Monolithic Power Systems, MPS, and the MPS logo are registered trademarks of Monolithic Power Systems, Inc. in the U.S. and trademarked in certain other countries.

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