THE PARERecorder com124TH YEARWWX.therecorder.com

Semiconductor Patent Case Goes to Keker

By Michael Joe

RECORDER STAFF WRITER

fter a seven-year legal brawl between two leading companies in the multibillion-dollar semiconductor industry, a federal jury in San Jose has decided that Altera Corp. infringed on two patents held by its main competitor, Xilinx Inc.

The case had turned into a clash of the legal titans of sorts, with heavy hitters Keker & Van Nest squaring off against Morrison & Foerster.

Morrison & Foerster attorneys representing Altera failed to prove to the jury that a family of products it released in 1992 called Flex 8000 did not infringe on Xilinx's patented method for reprogramming computer chips. The jury returned a unanimous verdict Friday.

Following the verdict, Xilinx said it would seek an injunction to prevent Altera from shipping its Flex 8000 products.

Monday, Altera general counsel Clifford Bergere said in a statement the company will file a motion with the court to reverse the verdict and plans to file an appeal should the motion be denied.

Xilinx sued for infringement in 1993, and Altera countersued.

The cutting-edge technology, known as field programmable gate arrays, is used in everything from cell phone towers to medical imagery devices to satellites.

The verdict, after a six-week trial in U.S District Court Judge James Ware's courtroom, sent ripples through the semiconductor industry, where the market for programmable logic devices was \$2.6 billion in 1999.

Semiconductor stocks took a dive Monday after Altera said it would file a motion to reverse the court decision.

A date has not yet been set for hearings to determine how much

Altera must pay in punitive damages, and attorneys would not speculate.

"The vast majority of Xilinx products are based upon this patent, and the patent that was found to be infringed is a major part of [Altera's] product line," said Robert Van Nest of San Francisco's Keker & Van Nest.

With so much at stake, both companies hired top-notch legal talent.

Keker & Van Nest partners Van Nest, John Keker and Brian Ferrall litigated Xilinx's case. The firm was hired by Xilinx several years ago.

And in January, Altera brought in a Morrison & Foerster litigation team including partners James Brosnahan, James Bennett and Charles Barquist.

Keker and Brosnahan had worked together on cases prior to this one. This was the first time they were on opposing sides.

"The case was hard-fought and well-tried on both sides, and we are pleased we won the jury's verdict," Van Nest said.

Brosnahan, who according to Bennett is the spokesperson for the legal team, did not return calls for comment Monday.

Attorneys at Skjerven Morrill MacPherson also cheered Xilinx's victory.

The firm was Xilinx's initial counsel, and name partner Alan MacPherson helped write the two patents in question.

"I'm very pleased and very grateful," said Peter Kang, the managing partner of the firm's San Francisco office. "It's wonderful for the firm and for me personally having worked on it for so long."

Skjerven associates Matthew Brigham, Jonathan Geld, Richard Cauley and Kanwarjit Dua also helped with the case.

Reporter Michael Joe's e-mail address is mjoe@therecorder.com