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Microchip Technology Takes Legal Action Against Shanghai Haier Integrated Circuit

CHANDLER, Ariz. and SHANGHAI, China, July 5 /PRNewswire-FirstCall/ -- Microchip Technology Inc. (Nasdaq: MCHP) of Chandler, Arizona, a leading provider of microcontroller and analog semiconductors and the world leader in 8-bit microcontrollers, has filed a copyright infringement lawsuit against Shanghai Haier Integrated Circuit Co., Ltd. (SHIC) of Shanghai, China.

The suit, filed in the Shanghai Number 1 Intermediate People's Court, alleges that SHIC has made unauthorized copies of the microcode embedded in Microchip's proprietary PIC16CXXX microcontrollers, and the datasheets that detail the use and operation of those microcontrollers. Microchip's datasheets and microcode are copyright-protected in both the U.S. and in China.

"Intellectual property is the backbone of our company and our industry," said William Yang, Vice President, Asia Pacific. "When we find out that our intellectual property has been infringed upon, it is important for us to take action to protect our assets."

Microchip has invested significant engineering and development resources to create the datasheets and microcode in the PIC16CXXX microcontrollers. Because both China and the U.S. are parties to the Berne Convention, Microchip's copyrights to those datasheets and microcode are also protected in China.

"We believe that we have a strong legal case and are confident that the Shanghai Number 1 Intermediate People's Court will examine our claims on the merits and arrive at the appropriate outcome," Yang continued.

"I want to stress that this lawsuit is directed at one individual company, which is affiliated with a large Chinese multinational company. It is not directed at Microchip customers in China or the Chinese government, who fully recognizes that protecting the intellectual property of both domestic and foreign companies is critical to the country's continued economic growth," said Steve Sanghi, president and CEO of Microchip Technology Inc.

"Furthermore, this lawsuit does not change in any way our commitment to China. We will continue to invest and grow our business in China. We will also continue to help China develop its future talent through our educational outreach initiative, which has benefited around 120,000 engineers since 1996," Sanghi continued.

Concurrently, Microchip has filed a related legal action against Linkage Technology Co. Ltd. of Hsinchu, Taiwan. Linkage Technology is noted as the Taiwanese distributor for SHIC.

Microchip's PIC(R) microcontroller is a single circuit that integrates all of its memory and input/output (I/O) peripherals on the same chip as the central processing unit. A microcontroller is, in essence, a more-complicated microprocessor -- yet, smaller, less expensive and more focused in its applications. Microcontrollers are used in a wide range of

industries and applications, including consumer electronics, automobiles, telecommunications, industrial automation and many others.

About Microchip Technology

Microchip Technology Inc. (Nasdaq: MCHP) is a leading provider of microcontroller and analog semiconductors, providing low-risk product development, lower total system cost and faster time to market for thousands of diverse customer applications worldwide. Headquartered in Chandler, Arizona, Microchip offers outstanding technical support along with dependable delivery and quality. For more information, visit the Microchip Web site at <http://www.microchip.com>.

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