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Permanent Injunction Against JF Microtechnology SDN BHD for willful infringement of Johnstech Patent

Sets Important Precedent for Semiconductor Industry

(Silicon Valley, CA, JULY 2018) The United States District Court for the Northern District of California (Silicon Valley) moved to uphold the intellectual property rights of Johnstech International, a US company based in Minneapolis, against foreign counterfeiters setting an important precedent for the semiconductor industry. On June 8, 2018, a judge ruled in favor of Johnstech and against JF Microtechnology SDN BHD (JFM) of Malaysia on patent infringement for the second time. In the first trial held September 2016, a jury found that JFM willfully infringed and induced infringement of Johnstech U.S. Patent No. 7,059,866 by selling JFM's Zigma product.¹

Johnstech CEO David Johnson expressed total satisfaction with the court's decision and its greater implication for the US tech industry. "The infringement of intellectual property by overseas entities impacts every level of the US economy," said Johnson, "Our ability to protect our investment in research and development means we are able to conserve American jobs, as well sustain our competitive edge in the semiconductor industry as we look toward 5G."

In response to the judgement, JFM asked the judge to overrule the jury's verdict or grant JFM an entirely new trial. JFM got a resounding NO to both by a court order.²

In a strongly worded opinion, the judge rejected JFM's request for a new trial and upheld a finding of *willful* infringement by JFM, and made the injunction *permanent*.³ He also opened the door to granting Johnstech even greater *enhanced* (*triple*) damages based on the willfulness of the infringement. This decision is important for US companies because it grants a permanent injunction against a foreign infringer. US companies have long complained that foreign copyists who violate US patents are often allowed to continue to make copycat products and merely have to pay a royalty. This case reverses that practice by permanently banning the making, using or selling of Zigma products.

¹ https://www.law360.com/articles/845249/jury-hands-johnstech-636k-win-in-chip-tester-ip-suit

² Case 3:14-cv-02864-JD Document 309 Filed 06/08/18

³ Case 3:14-cv-02864-JD Document 310 Filed 06/19/18

The injunction will also have a powerful effect on US companies who have bought JFM Zigma products. Under the injunction, JFM cannot assist purchasers who use Zigma products, nor can JFM import the products into the US, regardless of the purpose, including for testing, evaluation or certification.

Furthermore, the mere use of such Zigma products in the US by buyers constitutes an act of infringement of Johnstech's patent. Owners of JFM Zigma products should strongly consider returning such products since they cannot lawfully use them in the US without infringing Johnstech's patent. In addition to the US patent, Johnstech has substantially similar patents in many Asian countries.

As David Johnson explained, US companies who allocate large investments in R&D and who have been beset by foreign copyists, who ignore their patents, will be pleased to see that the tables have turned in their favor. "We actively police our patents against copyists both here and abroad because of our commitment to our customers to offer quality semiconductor test hardware solutions," he added. "We spend millions on our research and development to invest in their future as well as ours."

JOHNSTECH INTERNATIONAL is a global R&D leader in the field of microcircuit testing, providing reliable, cost-effective testing solutions for automotive, commercial, and industrial applications. Founded in 1991 by David Johnson, Johnstech works hand-in-hand with the world's most respected OSATs, foundries, and EDA companies to develop the most precise and dependable test contactors and test sockets on the marketplace today.

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