Court Rules Thousands of Lines of Nassda's HSIM Code Were Copied or Derived From Synopsys

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Synopsys, Inc. (NASDAQ: SNPS), the world leader in semiconductor design software, today announced that sanctions were issued against Nassda Corporation on Friday, June 11, 2004 in Synopsys' pending trade secret litigation against Nassda in Santa Clara County Superior Court.

In a series of orders, the Court ruled conclusively that Nassda and its founders copied or derived from Synopsys' source code or other Synopsys materials all non-public portions of the first 60,000 lines of Nassda's HSIM source code, and all non-public ideas and concepts reflected in those lines of code. The Court also ruled that Nassda created a development log for HSIM after the fact in an effort to avoid liability to Synopsys, and that the Nassda defendants acted together to destroy relevant evidence.

Under these rulings, neither the individual Nassda defendants nor Nassda itself may introduce any evidence at trial to rebut these facts.

The Court's orders also struck the answer of Jeh-Fu Tuan, a Nassda founder and individual defendant, to Synopsys' amended complaint. Accordingly, Mr. Tuan may not contest any of Synopsys' allegations in the complaint.

"The Court's rulings clearly establish facts which support Synopsys' position that Nassda misappropriated Synopsys' trade secrets and used Synopsys' intellectual property in developing HSIM," said Rex S. Jackson, Synopsys vice president and general counsel. "The Court has sent a clear message that it will not tolerate the intentional destruction of evidence."

The Court's latest sanctions replace its previous orders of January 2003, which shifted the burden of proof to Nassda on several key issues. The sanctions were issued by Judge Read Ambler (Ret.), who is serving as Discovery Referee in the litigation and is a former Presiding Judge of the Santa Clara County Superior Court.

Synopsys is also pursuing additional claims against Nassda alleging infringement of two of Synopsys' patents in the United States District Court for the Northern District of California.

About Synopsys

Synopsys, Inc. is the world leader in electronic design automation (EDA) software for semiconductor design. The company delivers technology-leading semiconductor design and verification platforms and IC manufacturing software products to the global electronics market, enabling the development and production of complex systems-on-chips (SoCs). Synopsys also provides intellectual property and design services to simplify the design process and accelerate time-to-market for its customers. Synopsys is headquartered in Mountain View, California and has offices in more than 60 locations throughout North America, Europe, Japan and Asia. Visit Synopsys online at http://www.synopsys.com/.

NOTE: Synopsys is a registered trademark of Synopsys, Inc. All other trademarks mentioned in this release are the intellectual property of their respective owners.

SOURCE: Synopsys, Inc.

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