

Stephen F. English, OSB No. 730843
SEnglish@perkinscoie.com
Julia E. Markley, OSB No. 000791
JMarkley@perkinscoie.com
PERKINS COIE LLP
1120 N.W. Couch Street, Tenth Floor
Portland, OR 97209
Telephone: 503.727.2000

M. Patricia Thayer (*pro hac vice*)
pthayer@sidley.com
Philip W. Woo (*pro hac vice*)
pwoo@sidley.com
SIDLEY AUSTIN LLP
555 California Street, Suite 2000
San Francisco, CA 94104
Telephone: 415.772.1200

I. Neel Chatterjee (*pro hac vice*)
nchatterjee@orrick.com
William H. Wright (*pro hac vice*)
wwright@orrick.com
ORRICK, HERRINGTON & SUTCLIFFE LLP
1000 Marsh Road
Menlo Park, CA 94025
Telephone: 650.614.7400

Attorneys for Defendants and Counter-Claimants/Plaintiffs Synopsys, Inc.; Synopsys Emulation and Verification S.A.; and EVE-USA, Inc.

UNITED STATES DISTRICT COURT
DISTRICT OF OREGON
PORTLAND DIVISION

MENTOR GRAPHICS CORPORATION, an Oregon corporation,
Plaintiff and Counter-Defendant,
v.
EVE-USA, INC., a Delaware corporation, and
SYNOPSIS EMULATION AND VERIFICATION S.A., formed under the laws of France,
Defendants and Counter-Claimants.

SYNOPSIS, INC., a Delaware corporation,
EVE-USA, INC., a Delaware corporation, and
SYNOPSIS EMULATION AND VERIFICATION S.A., formed under the laws of France,
Plaintiffs and Counter-Defendants,

v.
MENTOR GRAPHICS CORPORATION, an Oregon corporation,
Defendant and Counter-Claimant.

Case No. 3:10-CV-00954-MO (Lead)
Case No. 3:12-CV-01500-MO
Case No. 3:13-CV-00579-MO

FIRST AMENDED COMPLAINT FOR PATENT INFRINGEMENT, DECLARATIONS OF INVALIDITY AND NON-INFRINGEMENTS, AND INJUNCTIVE RELIEF

By Synopsys, Inc., Synopsys Emulation and Verifications S.A. and EVE-USA, Inc.

DEMAND FOR JURY TRIAL

In Case No. 3:13-cv-579-MO, Plaintiffs Synopsys, Inc., EVE-USA, Inc. and Synopsys Emulation and Verification S.A. (collectively, “Plaintiffs”) allege as follows:

THE PARTIES

1. Plaintiff Synopsys, Inc. (“Synopsys”) is a corporation organized and existing under the laws of the State of Delaware, with its principal place of business in Mountain View, California.

2. Plaintiff EVE-USA, Inc. is a corporation organized and existing under the laws of the State of Delaware, with its principal place of business in San Jose, California.

3. Plaintiff Synopsys Emulation and Verification S.A. is a French corporation headquartered in Wissous, France. Plaintiffs EVE-USA, Inc. and Synopsys Emulation and Verification S.A. are collectively referred to herein as “EVE.”

4. Defendant Mentor Graphics Corp. (“Mentor Graphics”) is a corporation organized and existing under the laws of the State of Oregon. Mentor Graphics has five offices or sites in California (Fremont, Folsom, El Segundo, Irvine and San Diego) and additional offices in other parts of the United States.

BACKGROUND

5. Mentor Graphics has alleged in a Complaint filed in the United States District Court for the District of Oregon, Case No. 6:06-cv-00341-AA, that it owns all right, title and interest in U.S. Patent No. 6,009,531 (“the ’531 patent”), entitled “Transition Analysis and Circuit Resynthesis Method and Device for Digital Circuit Modeling,” which issued on or about December 28, 1999. This action was dismissed with prejudice on November 30, 2006.

6. Mentor Graphics also alleged in a Complaint filed in the United States District Court for the District of Oregon, Case No. 6:06-cv-00341-AA, that it owns all right, title and interest in U.S. Patent No. 5,649,176 (“the ’176 patent”), entitled “Transition Analysis and Circuit Resynthesis Method and Device for Digital Circuit Modeling,” which issued on or about July 15, 1997. This action was dismissed with prejudice on November 30, 2006.

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7. Mentor Graphics also alleged in a Complaint filed in the United States District Court for the District of Oregon, Case No. 6:06-cv-00341-AA, that it owns all right, title and interest in U.S. Patent No. 6,240,376 (“the ’376 patent”), entitled “Method and Apparatus for Gate-Level Simulation of Synthesized Register Transfer Level Designs With Source-Level Debugging,” which issued on or about May 29, 2001. This action was dismissed with prejudice on November 30, 2006.

JURISDICTION AND VENUE

8. This action arises under the Declaratory Judgment Act and the patent laws of the United States, more particularly under Title 28 U.S.C. §§ 2201 and 2202 and Title 35 U.S.C. §§ 100 et. seq. and 271, respectively. This court has jurisdiction under Title 28 U.S.C. §§ 1331, 1338 and 2201.

9. Mentor Graphics is subject to personal jurisdiction in this Court, including because it has its principal place of business in Wilsonville, Oregon.

10. Venue is proper in this District under 28 U.S.C. §§ 1391(b) and (c) and 1400(b) because Mentor Graphics transacts business in this district, is subject to personal jurisdiction in this District, and has committed acts of infringement in this district.

11. Mentor Graphics has alleged that the ZeBu line of hardware-assisted verification products, which are manufactured, imported, sold and offered for sale by EVE (hereinafter the “ZeBu Products”), infringe the ’531, ’176 and ’376 patents. On or about March 13, 2006, Mentor Graphics filed a Complaint in the United States District Court for the District of Oregon, Case No. 6:06-cv-00341-AA, which alleged that EVE infringed the ’531 patent by selling and supporting the ZeBu Products. On or about May 19, 2006, Mentor Graphics filed a First Amended Complaint, which alleged that EVE infringed the ’531, ’176 and ’376 patents directly, contributorily and by inducement, by selling and supporting the ZeBu Products. On November 30, 2006, the action was dismissed with prejudice and the parties finalized a settlement agreement in December 2006.

12. On or about August 12, 2010, Mentor Graphics initiated a second litigation against EVE by filing a Complaint in the United District Court for the District of Oregon, Case No. 3:10-cv-00954-MO, alleging that EVE infringes U.S. Patent No. 6,876,962 by making, using, selling, offering for sale, importing and supporting the ZeBu Products.

13. On or about August 17, 2012, Mentor Graphics commenced a third litigation against EVE by filing yet another Complaint in the United States District Court for the District of Oregon, Case No. 3:12-cv-01500-SI, alleging that EVE infringes U.S. Patent No. 6,947,882 by making, using, selling, offering for sale, importing and supporting the ZeBu Products. The District of Oregon consolidated these two cases (No. 3:10-cv-00954-MO and No. 3:12-cv-01500-SI) on or about November 7, 2012.

14. On September 27, 2012, Synopsys, Inc. entered into an agreement to acquire the business of EVE, including the ZeBu Products. The proposed acquisition closed Oct. 4, 2012. Accordingly, Plaintiffs are importing, selling, offering for sale and/or supporting the ZeBu Products in the United States, which line of products was previously accused by Mentor Graphics of infringing the '531, '176 and '376 patents and which products share structures and functionality that Mentor Graphics alleged are relevant to the claims of the '531, '176 and '376 patents.

15. On August 20, 2012, Dr. Walden C. Rhines, Chairman and Chief Executive Officer of Mentor Graphics, wrote to Dr. Aart de Geus, Chairman and Co-Chief Executive Officer of Synopsys, Inc. In reference to a published rumor that Synopsys, Inc. was in discussions to acquire the business of EVE, Dr. Rhines stated that the settlement agreement entered into between Mentor Graphics and EVE in 2006 contains terms that may be considered "material" to the acquisition, and that Dr. de Geus "should ensure [his] team is aware" of them.

16. Upon information and belief, and given the terms of the 2006 settlement agreement, coupled with the timing of the communication, Mentor Graphics' statements were meant to convey an explicit threat that should Synopsys, Inc. consummate its contemplated

acquisition of EVE, Synopsys and/or EVE would thereupon be subject to suit by Mentor Graphics for patent infringement of the '531, '176 and '376 patents.

17. Based on the acts, conduct and statements of Mentor Graphics, there exists an actual and substantial controversy, within the meaning of 28 U.S.C. §§ 2201 and 2202, between Plaintiffs and Mentor Graphics, as to whether Plaintiffs or any of the ZeBu Products have infringed, or continue to infringe, any of the claims of the '531, '176 and '376 patents, as to whether the claims of the '531, '176 and '376 patents are valid, and as to whether Mentor Graphics is without right or authority to threaten or to maintain suit against Plaintiffs for alleged infringement of the '531, '176 and '376 patents.

18. On January 11, 2013, Mentor Graphics filed counterclaims in this action alleging that Synopsys and EVE infringe the '531, '176, and '376 patents by making, using, selling, offering for sale, importing and supporting the ZeBu Products. On April 25, 2013, the District of Oregon consolidated this case (Case No. 3:13-cv-579-ST) with Case Nos. 3:10-cv-00954-MO and No. 3:12-cv-01500-MO.

COUNT I

(Declaratory Judgment of Invalidity – Synopsys and EVE v. Mentor Graphics)

19. Plaintiffs incorporate by reference the allegations contained in the preceding paragraphs as though set forth in full herein.

20. This is a claim for declaratory judgment of invalidity of any and all claims of the '531, '176 and '376 patents.

21. The '531, '176 and '376 patents, and each claim thereof, are invalid under one or more provisions of Title 35 of the United States Code, including, without limitation, Sections 101, 102, 103 and 112.

22. The claims of the '531, '176 and '376 patents are invalid because they are vague and indefinite and do not particularly point out and distinctly claim the subject matter which the applicants regarded as their alleged inventions, as required by 35 U.S.C. § 112.

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