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Cypress Wins Legal Effort to Cancel Competitor's Registration of CapSense® Trademark in the European Union

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EU Trademark Office Rules That Quantum Research Group “Acted in Bad Faith” In Its 2007 Registration of Cypress’s CapSense Mark

SAN JOSE, Calif., August 11, 2009 – Cypress Semiconductor Corp. (NYSE: CY) today announced that the European Union’s trademark registry, the Office for Harmonization in the Internal Market (OHIM), ruled that Quantum Research Group acted “contrary to honest practices in commercial matters” by trying to “impede” Cypress’s attempt to register its CapSense® trademark in the EU. The OHIM declared Quantum’s registration of the CapSense mark in the EU invalid and ordered the company to bear the costs incurred by Cypress in its application to cancel Quantum’s trademark.

Until it was acquired last year by San Jose, Calif.-based Atmel Corp., Quantum was one of Cypress’s competitors in the market for capacitive touch-sensing products. CapSense is the brand name and trademark of Cypress’s industry-leading touch solution.

The OHIM further ruled that Quantum had prior knowledge of Cypress’s use of the CapSense product name in the UK and other countries when Quantum registered the mark in 2007. The OHIM described the Quantum tactic as a “blocking” registration.

“What Quantum/Atmel couldn’t win with their technology in the marketplace, they tried to obtain by unscrupulous means, manipulating the trademark system to prevent Cypress from using its own well-established commercial brand and superior intellectual property,” said Cypress President and CEO T.J. Rodgers. “We applaud the court for its decision, enforcing standards of common sense and fairness in the resolution of this case.”

Cypress is the industry’s touch-sensing leader; its CapSense touch-sensing solution has replaced 3.5 billion mechanical buttons in mobile handsets, laptops, consumer electronics, white goods, automotive applications, and virtually any system that has a mechanical button or switch. The latest addition to Cypress’s touch-sensing portfolio, its TrueTouch™ solution, allows customers to design end products with LCD displays that incorporate gesture-based functions, including multi-touch gesture and multi-touch all-point solutions (the ability to track up to 10 touches simultaneously). TrueTouch works with industrial materials such as glass and plastics, giving customers maximum flexibility to create stylish, innovative industrial designs.

CapSense and TrueTouch are based on Cypress’s PSoC® programmable system-on-chip solution, a highly configurable architecture for embedded control design, integrating configurable analog and digital circuits with memory and an on-chip microcontroller. A single PSoC device can integrate as many as 100 peripheral functions saving customers design time, board space and power consumption while improving system quality and reducing system cost.

About Cypress

Cypress delivers high-performance, mixed-signal, programmable solutions that provide customers with rapid time-to-market and exceptional system value. Cypress offerings include the PSoC programmable system-on-chip, USB controllers, general-purpose programmable clocks and memories. Cypress also offers wired and wireless connectivity technologies ranging from its CyFi™ Low-Power RF solution, to West Bridge® and EZ-USB® FX2LP controllers that enhance connectivity and performance in multimedia handsets. Cypress serves numerous markets including consumer, computation, data communications, automotive, and industrial. Cypress trades on the NYSE under the ticker symbol CY. Visit Cypress online at www.cypress.com.

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