In the Matter of

CERTAIN VOLTAGE REGULATOR CIRCUITS, COMPONENTS THEREOF AND PRODUCTS CONTAINING SAME

Investigation No. 337-TA-321

Order No. 18: INITIAL DETERMINATION Terminating the Investigation on the Basis of a Settlement Agreement and Consent Order

By publication of the notice of investigation in the Federal Register on August 17, 2004, the Commission instituted this investigation pursuant subsection (b) of section 337 of the Tariff Act of 1930, as amended, to determine whether there is a violation of subsection (a)(1)(B) of section 337 in the importation into the United States, the sale for importation, or the sale within the United States after importation of certain voltage regulator circuits, components thereof, or products containing same by reason of infringement of one or more of claims of U.S. Patent No. 5,481,178 or U.S. Patent No. 6,580,258, and whether an industry in the United States exists as required by subsection (a)(2) of section 337. 69 Fed. Reg. 51104 (2004). Linear Technology Corporation ("Linear") is the complainant, and Monolithic Power Systems, Inc. ("MPS") is the respondent. The Commission Investigative Staff of the Office of Unfair Import Investigations ("OUII") is also a party in this investigation. Id.

On September 30, 2005, pursuant to 19 C.F.R. § 210.21 (b) and (c), Linear and MPS filed their "Joint Motion to Terminate Investigation Based Upon a Settlement Agreement and Consent
Order." Motion Docket No. 521-21. 1 Attached to the joint motion are a Consent Order Stipulation (Exhibit A), a proposed Consent Order (Exhibit B), and a Settlement and License Agreement (Exhibit C). 2

On October 7, 2005, the Commission Investigative Staff filed a response in support of the joint motion.

The proposed consent order concerns the importation and sale of accused MPS voltage regulator circuits, i.e., the MP 1556, and 1557-1559 products, and provides that:

Effective as of April 1, 2006, as set forth in the parties' Settlement and License Agreement, MPS shall cease and desist from importing or otherwise transferring or having transferred into the United States, or selling or offering for sale in the United States after importation, the accused MP1556 product, or other MPS products (if any) that include the accused MP1556 product as a component. MPS further agrees that it may not, at any time, import or otherwise transfer or have transferred into the United States, or sell or offer for sale in the United States after importation, the accused MP 1557-1559 products, other MPS products that include the accused MP1557-1559 products as components, or other MPS products (with the sole exception of the MP1556) in which the ZX circuitry identified by counsel for Linear in this investigation is connected so as to allow such products to enter into what Linear refers to as "sleep mode", "reverse polarity protection", or otherwise practice the Asserted Claims.

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1On September 30, 2005, Linear and MPS also filed an unopposed motion to suspend the hearing on violation of section 337. Motion Docket No. 521-22. The motion was granted. The tutorial scheduled to commence on October 4, 2005, and the hearing scheduled to commence on October 5, 2005, were continued pending consideration of the joint motion to terminate. See Order No. 17.

2Movants filed confidential and public versions of the joint motion with attachments. See 19 C.F.R. § 210.21(b)(1), (c)(1)(ii) (public versions required for certain filings). Copies of those documents are attached to the respective public and confidential versions of this initial determination. See 19 C.F.R. § 210.21(b)(2), (c)(1)(ii) (certain documents must be certified with an initial determination terminating an investigation in whole or in part).
Proposed Consent Order (Joint Motion Exhibit B).

In satisfaction of 19 C.F.R. § 210.21(c)(3)(i)(A), the consent order stipulation contains:

1. an admission of jurisdictional facts;
2. an express waiver of all rights to seek judicial review or contest the validity of the consent order;
3. a statement that the signatory respondent will cooperate with and will not seek to impede by litigation or other means the Commission’s efforts to gather information under subpart I of Part 210 of the Commission’s Rules of Practice and Procedure; and
4. a statement that the enforcement, modification, and revocation of the consent order will be carried out pursuant to subpart I of Part 210. As required by 19 C.F.R. § 210.21(c)(3)(i)(B), in intellectual property-based investigations, the consent order stipulation also contains:

1. a statement that the proposed consent order shall not apply with respect to any claim of intellectual property that has expired or been found or adjudicated invalid or unenforceable by the Commission or a court or agency of competent jurisdiction, provided that such finding or judgment has become final and nonreviewable;³ and
2. a statement that in any enforcement proceeding, the signatory respondent will not seek to challenge the validity of the intellectual property rights at issue in this investigation. See Consent Order Stipulation (Joint Motion Exhibit A).

The settlement agreement between Linear and MPS provides for the exchange of valuable consideration, including the grant of a non-exclusive patent license. In satisfaction of 19 C.F.R. § 210.21(c)(3)(i)(B), in intellectual property-based investigations, the consent order stipulation also contains:

³The consent order stipulation does not appear to contain the precise words “provided that such finding or judgment has become final and nonreviewable,” which are found in the text of the Commission Rule. Such a clause is, however, implied from the context of the wording used in the consent order stipulation, including the signatories’ statement that they intend their stipulation to conform “to all waivers and other provisions” required by 19 C.F.R. § 210.21(c). See Consent Order Stipulation at 2 (Joint Motion Exhibit A); Proposed Consent Order at 2 (Joint Motion Exhibit B).
§ 210.21(b), movants state that the settlement agreement, along with the consent order stipulation, are their only agreements written or oral, express or implied, concerning the subject matter of this investigation.  See Joint Motion at 2.

The Commission's Rules provide that in the case of a proposed termination by settlement agreement, consent order, or arbitration agreement, the parties may file statements regarding the impact of the proposed termination on the public interest, and the Administrative Law Judge may hear argument, although no discovery may be compelled, with respect to issues relating solely to the public interest. The Administrative Law Judge is directed to consider and make appropriate findings in the initial determination regarding the effect of the proposed settlement on the public health and welfare, competitive conditions in the United States, and United States consumers.  See 19 C.F.R. § 210.50(b)(2).

Movants argue that their settlement is consistent with the public interest. Joint Motion at 3. The Commission Investigative Staff is not aware of any information to indicate that termination of the investigation on the basis of the proposed Consent Order, and Settlement and License Agreement would be contrary to the public health and welfare, competitive conditions in the domestic economy, the production of like or directly competitive articles in this country, or United States consumers.  OUII Response at 5-6.

The Administrative Law Judge determines that there is no evidence that termination of the investigation as requested in the joint motion will prejudice the public interest. Furthermore, termination of litigation under these circumstances as an alternative method of dispute resolution is generally in the public interest.

Accordingly, it is the INITIAL DETERMINATION of the Administrative Law Judge that
Motion No. 521-21 to terminate this investigation in its entirety is GRANTED.

Pursuant to 19 C.F.R. § 210.42(h), this initial determination shall become the determination of the Commission unless a party files a petition for review of the initial determination pursuant to 19 C.F.R. § 210.43(a), or the Commission, pursuant to 19 C.F.R. § 210.44, orders on its own motion a review of the initial determination or certain issues contained herein.

Issued: October 14, 2005

Sidney Harp
Administrative Law Judge
CERTIFICATE OF SERVICE

I, Marilyn R. Abbott, hereby certify that the attached Order (Initial Determination) was served upon David H. Hollander, Jr., Esq. and upon the following parties via first class mail, and air mail where necessary, on October 14, 2005.

Marilyn R. Abbott, Secretary
U.S. International Trade Commission
500 E Street, S.W.
Washington, D.C. 20436

FOR COMPLAINANT LINEAR TECHNOLOGY CORPORATION:

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CERTAIN VOLTAGE REGULATOR
CIRCUITS, COMPONENTS THEREOF
AND PRODUCTS CONTAINING SAME

FOR RESPONDENT MONOLITHIC POWER SYSTEMS, INC.:

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Washington, D.C. 2005
UNITED STATES INTERNATIONAL TRADE COMMISSION  
WASHINGTON, D.C. 20436  

Before the Honorable Sidney Harris  
Administrative Law Judge  

In the Matter of  
CERTAIN VOLTAGE REGULATOR  
CIRCUITS, COMPONENTS  
THEREOF AND PRODUCTS  
CONTAINING SAME  

Investigation No. 337-TA-521  

PUBLIC VERSION  

JOINT MOTION TO TERMINATE INVESTIGATION BASED UPON A  
SETTLEMENT AGREEMENT AND CONSENT ORDER  

Pursuant to Commission Rules of Practice and Procedure 210.21(b) and (c), 19 C.F.R. §§ 210.21(b) and (c), Complainant Linear Technology Corporation and  
Respondent Monolithic Power Systems, Inc. ("MPS") hereby jointly move to  
terminate this Investigation based upon the attached Consent Order Stipulation  
(Exhibit A), proposed Consent Order (Exhibit B), and Settlement and License  
Agreement (Exhibit C) attached hereto.  

Complainant alleged violations of Section 337 of the Tariff Act of 1930, as  
amended, 19 U.S.C. § 1337, in the importation into the United States, the sale for  
importation into the United States, and sale within the United States after importation  
of the MPS's MP1556-1559 voltage regulator circuits by reason of alleged

The Settlement and License Agreement includes Confidential Business Information within the meaning of 19 C.F.R. § 201.6. Complainant and Respondent, therefore, request that the Settlement and License Agreement be treated as Confidential Business Information under the protective order (Order No. 1) in this investigation. A public version of the Settlement and License Agreement is attached hereto as required by Commission Rule 210.21(b), 19 C.F.R. § 210.21(b). There are no other agreements, written or oral, express or implied, between Complainant and Respondent concerning the subject matter of this investigation.

Respondent agrees to the entry of the proposed Consent Order that, effective as of April 1, 2006, it or any of its majority-owned subsidiaries will not import, sell for importation, or sell or offer for sale within the United States the accused MP1556 product, or other MPS products (if any) that include the accused MP1556 product as a component. MPS further agrees that it may not, at any time, import or otherwise transfer or have transferred into the United States, or sell or offer for sale in the United States after importation, the accused MP1557-1559 products, other MPS products that include the accused MP1557-1559 products as components, or other...

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1 Complainant's initial July 16, 2004 complaint alleged that MPS infringed forty-three claims of the 5,481,178 and 6,580,258 patents. On May 27, 2005, Linear filed a Motion for Partial Termination of the Investigation as to certain claims of the patents-in-suit. Thus, the nine claims referred to above remain. See June 17, 2005 Notice of Decision Not to Review an Initial Determination Granting Complainant's Motion to Terminate the Investigation in Part.
MPS products (with the sole exception of the MP1556) in which the ZX circuitry identified by counsel for Linear in this investigation is connected so as to allow such products to enter into what Linear refers to as “sleep mode,” “reverse polarity protection,” or otherwise practice the asserted claims.

The Consent Order Stipulation (attached hereto as Exhibit A) contains the admissions, waivers, statements, and other requirements pursuant to Commission Rule 210.21(c)(3). Complainant and Respondent submit that entry of the proposed Consent Order (attached hereto as Exhibit B) and termination of this investigation are in the public interest, which favors the settlement of disputes to avoid needless litigation and to conserve public and private resources. Entering the Consent Order will promote administrative economy by obviating the need for a hearing. Moreover, entering the attached Consent Order will not impose an undue burden on the public health and welfare, competitive conditions in the U.S. economy, production of like or directly competitive articles in the United States, or U.S. consumers.

Complainant has consulted with the Commission Investigative Attorney regarding this Joint Motion. The Commission Investigative Attorney will provide the position of the Office of Unfair Import Investigations after reviewing the attached papers.

Accordingly, Complainant and Respondent respectfully request that the Administrative Law Judge issue an initial determination terminating this
investigation on the basis of the Settlement and License Agreement, Consent Order Stipulation and Consent Order. Complainant and Respondent respectfully request that the Consent Order be entered.

Dated: September 30, 2005

MCDERMOTT, WILL & EMERY LLP

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COUNSEL FOR COMPLAINANT
LINEAR TECHNOLOGY CORPORATION
Dated: September 30, 2005

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COUNSEL FOR RESPONDENT
MONOLITHIC POWER SYSTEMS, INC.
EXHIBIT A
UNITED STATES INTERNATIONAL TRADE COMMISSION  
WASHINGTON, D.C. 20436

Before the Honorable Sidney Harris  
Administrative Law Judge

In the Matter of  
CERTAIN VOLTAGE  
REGULATOR  
CIRCUITS, COMPONENTS  
THEREOF  
AND PRODUCTS CONTAINING SAME  

Investigation No. 337-TA-521

CONSENT ORDER STIPULATION

WHEREAS, the United States International Trade Commission (the "Commission") on August 17, 2004, by publication in the Federal Register, 4 instituted the above-captioned investigation under Section 337 of the Tariff Act of 1930, as amended (19 U.S.C. § 1337), based upon the allegations in the Complaint filed by Linear Technology Corporation ("Linear"), which allege, inter alia, unfair acts and unlawful acts in the importation into the United States, the sale for importation into the United States, and the sale within the United States after importation of certain voltage regulators, components thereof, and products containing same by reason of infringement of claims 1, 31, 34, 41, 44, 55, and 56 of United States Patent No. 5,481,178 and claims 2 and 35 of United States Patent No. 6,580,258 (the "Asserted Claims") by Respondent Monolithic Power Systems, Inc. ("MPS");

LA11489142.3
WHEREAS, MPS and Linear have entered into a Settlement and License Agreement regarding the accused MP1556, MP1557, MP1558, MP1559 and EV0063 products (collectively, the “Accused Products”) and to the entry of the proposed Consent Order submitted herewith, which is incorporated herein by reference, by the Commission, and have agreed to all waivers and provisions required by Commission Rule 210.21(c), 19 C.F.R. § 210.21(c);

IT IS HEREBY STIPULATED by the parties as follows:

A. For purposes of this Stipulation and the Consent Order, MPS admits and acknowledges the Commission’s in rem jurisdiction over the Accused Products;

B. MPS admits and acknowledges the Commission’s in personam jurisdiction over MPS for purposes of enforcement of the Consent Order;

C. Complainant Linear Technology Corporation is the Complainant in this investigation and is a publicly traded corporation (NASDAQ: LLTC) organized under the laws of the State of Delaware, with its principal place of business in Milpitas, California.

D. MPS is a publicly traded corporation (NASDAQ: MPWR) organized under the laws of the State of Delaware, with its principal place of business in Los Gatos, California.

E. Effective as of April 1, 2006, as set forth in the parties Settlement and License Agreement, MPS shall cease and desist from importing or otherwise transferring or having transferred into the United States, or selling or offering for sale in the United States after importation, the accused MP1556 product, or other MPS products (if any) that include
the accused MP1556 product as a component. MPS further agrees that
it may not, at any time, import or otherwise transfer or have transferred
into the United States, or sell or offer for sale in the United States after
importation, the accused MP1557-1559 products, other MPS products
that include the accused MP1557-1559 products as components, or
other MPS products (with the sole exception of MP 1556) in which the
ZX circuitry identified by counsel for Linear in this investigation is
connected so as to allow such products to enter into what Linear refers
to as “sleep mode”, “reverse polarity protection”, or otherwise practice
the Asserted Claims.

F. Entry of the Consent Order will terminate Investigation No. 337-TA-
   521.

G. MPS waives its right to seek judicial review or otherwise challenge or
   contest the validity of the proposed Consent Order;

H. MPS will cooperate with and not seek to impede by litigation or
   otherwise the Commission’s effort to gather information under subpart
   I of the Commission’s Rules, Part 210;

I. MPS will only seek modification and revocation of, or relief from, any
   actions to enforce the Consent Order in accordance with, subpart I of
   the Commission’s Rules, Part 210, and the enforcement, modification
and revocation of the Consent Order will be carried out pursuant to these provisions;

J. The Consent Order shall not apply to any claim of intellectual property that has expired or been found or adjudicated invalid or unenforceable by the Commission or a court or agency of competent jurisdiction;

K. The Consent Order will become null and void upon expiration of the patents-in-suit.

L. MPS will not seek to challenge the validity of the patents-in-suit in any proceeding to enforce the Consent Order;

M. Except as otherwise provided in the Consent Order, the Consent Order, the Consent Order Stipulation, the Settlement and License Agreement, and Linear’s Unopposed Partial Motion to Terminate the Investigation as to Certain Claims of the 5,481,178 and 6,580,248 Patents (enumerating the nine claims remaining in issue in this investigation), may be used in construing the Consent Order; provided, however, that any agreements, understandings, representations, or interpretations not contained in this Consent Order Stipulation or the Commission decision accompanying the Consent Order may not be used to vary the terms of the Consent Order;

N. This Consent Order Stipulation and the Consent Order are in the public interest;
O. The signing of this Consent Order Stipulation and the Consent Order are for settlement purposes only and do not constitute an admission by Respondent MPS that an unfair act has been committed under 19 U.S.C. § 1337, as amended.

IT IS SO STIPULATED.

Executed this 29 day of September, 2005 at Los Gatos, California

MONOLITHIC POWER SYSTEMS, INC.
983 University Avenue, Building A
Los Gatos, California 95032

By ____________________________
Michael Hsing, President and CEO

Executed this ___ day of September, 2005 at Washington, D.C.

Office of Unfair Import Investigations
U.S. INTERNATIONAL TRADE COMMISSION
500 E Street, S.W., Suite 401
Washington, D.C. 20436

By ____________________________
David H. Hollander, Jr., Esq.

Executed this ___ day of September, 2005 at Milpitas, California

LINEAR TECHNOLOGY CORPORATION
1630 McCarthy Boulevard
Milpitas, CA 95035

By ____________________________
Lothar Maier, CEO
CONSENT ORDER

The United States International Trade Commission (the "Commission") on August 17, 2004, by publication in the Federal Register,\(^1\) instituted the above-captioned investigation under Section 337 of the Tariff Act of 1930, as amended (19 U.S.C. §1337), based upon the allegations in the Complaint filed by Linear Technology Corporation ("Linear"), which allege, \textit{inter alia}, unfair acts and unlawful acts in the importation into the United States, the sale for importation into the United States, and the sale within the United States after importation of certain voltage regulators, components thereof, and products containing same by reason of infringement of claims 1, 31, 34, 41, 44, 55, and 56 of United States Patent No. 5,481,178 and claims 2 and 35 of United States Patent

No. 6,580,258 (the "Asserted Claims") by named Respondent Monolithic Power Systems, Inc. ("MPS").

The parties have executed a Settlement Agreement and a Consent Order Stipulation in which they agree to entry of this Consent Order and to all waivers and other provisions as required by Rule 210.21(c) of the Commission’s Rules of Practice and Procedure (19 C.F.R. § 210.21(c)) (the “Commission Rules”) and a Motion to Terminate the Investigation has been filed. In particular, the parties have stipulated as follows:

1. For purposes of this Consent Order, MPS admits and acknowledges the Commission’s in rem jurisdiction over the Accused Products;¹

2. MPS admits and acknowledges the Commission’s in personam jurisdiction over MPS for purposes of enforcement of the proposed Consent Order;

3. Linear is the Complainant in this investigation and is a publicly traded corporation (NASDAQ: LLTC) organized under the laws of the State

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² Complainant’s initial July 16, 2004 complaint alleged that MPS infringed forty-three claims of the 5,481,178 and 6,580,258 patents (the “patents-in-suit”). On May 27, 2005, Linear filed a Motion for Partial Termination of the Investigation as to certain claims of the patents-in-suit. As a result, the nine claims referred to above remain in issue. See June 17, 2005 Notice of Decision Not to Review an Initial Determination Granting Complainant’s Motion to Terminate the Investigation in Part.

³ The “Accused Products” are comprised of the MP1556-1559 voltage regulator circuits and the EV0063 evaluation board. Linear Technology Corporation’s Prehearing Brief at 74.
of Delaware, with its principal place of business in Milpitas, California.

4. MPS is a publicly traded corporation (NASDAQ: MPWR) organized under the laws of the State of Delaware, with its principal place of business in Los Gatos, California.

5. Effective as of April 1, 2006, as set forth in the parties Settlement and License Agreement, MPS shall cease and desist from importing or otherwise transferring or having transferred into the United States, or selling or offering for sale in the United States after importation, the accused MP1556 product, or other MPS products (if any) that include the accused MP1556 product as a component. MPS further agrees that it may not, at any time, import or otherwise transfer or have transferred into the United States, or sell or offer for sale in the United States after importation, the accused MP1557-1559 products, other MPS products that include the accused MP1557-1559 products as components, or other MPS products (with the sole exception of the MP1556) in which the ZX circuitry identified by counsel for Linear in this investigation is connected so as to allow such products to enter into what Linear refers to as “sleep mode”, “reverse polarity protection”, or otherwise practice the Asserted Claims.

7. MPS waives its right to seek judicial review or otherwise challenge or contest the validity of the proposed Consent Order;

8. MPS shall cooperate with and not seek to impede the Commission’s effort to gather information under subpart I of the Commission’s Rules, Part 210;

9. MPS shall only seek modification and revocation of, or relief from, any actions to enforce the Consent Order in accordance with subpart I of the Commission’s Rules, Part 210;

10. The Consent Order shall not apply to any claim of intellectual property that has expired or been found or adjudicated invalid or unenforceable by the Commission or a court or agency of competent jurisdiction;

11. The Consent Order shall become null and void upon expiration of the patents-in-suit;

12. MPS shall not seek to challenge the validity of the patents-in-suit in any proceeding to enforce this Consent Order;

13. The enforcement, modification, and revocation of the Consent Order will be carried out pursuant to Subpart I of the Commission’s Rules of Practice and Procedure (19 CFR Part 10, Subpart I);
14. The accompanying Consent Order Stipulation and this Consent Order are in the public interest;

15. The signing of this Consent Order Stipulation and the proposed Consent Order are for settlement purposes only and do not constitute an admission by Respondent MPS that an unfair act has been committed under 19 U.S.C. § 1337;

NOW, THEREFORE, the Commission issues the following Consent Order:

A. Effective April 1, 2006, MPS shall cease and desist from directly or indirectly importing or otherwise transferring or having transferred into the United States, or selling or offering for sale in the United States following importation, its MP1556 product, or other MPS products (if any) that include the MPS 1556 product as a component.

In addition, upon entry of this Consent Order, MPS shall immediately cease and desist from directly or indirectly importing or otherwise transferring or having transferred into the United States, or selling or offering for sale in the United States following importation, its MP1557, MP1558 and MP1559 products, other MPS products that include such products as components, or other MPS products (with the sole exception of the MP1556) in which the ZX circuitry identified by counsel for Linear in this investigation is connected so as to allow such products to enter into what Linear refers to as "sleep
mode", "reverse polarity protection", or otherwise practice the
Asserted Claims.

B. MPS shall be precluded from seeking judicial review or otherwise challenging or contesting the validity of this Consent Order.

C. MPS shall cooperate with and shall not seek to impede by litigation or other means the Commission's efforts to gather information under Subpart I of the Commission's Rules of Practice and Procedure (19 CFR Part 210, Subpart I).

D. MPS shall not seek to challenge, and is precluded from making any challenges to, the validity of the Asserted Claims of the patents-in-suit in any administrative or judicial proceeding brought to enforce this Consent Order.

E. When United States Patent Nos. 5,481,178 and 6,580,258 have expired, this Consent Order shall become null and void.

F. If any of the Asserted Claims of the patents-in-suit is hereafter held invalid or unenforceable by a court or agency of competent jurisdiction, in a final decision, and all rights of appeal have been either waived or exhausted, this Consent Order shall become null and void as to such invalid or unenforceable claim(s).

G. This investigation is hereby terminated, provided, however, that enforcement, modification, or revocation of this Consent Order shall
be carried out pursuant to Subpart I of the Commission’s Rules of Practice and Procedure (19 CFR Part 210, Subpart I).

H. The entry of this Consent Order does not constitute a determination as to the Commission of an unfair act by MPS.

BY ORDER OF THE COMMISSION

Executed this ___ day of September, 2005 at Washington, D.C.

U.S. INTERNATIONAL TRADE COMMISSION
500 E Street, S.W.,
Washington, D.C. 20436

__________________________
Marilyn R. Abbott, Secretary
SETTLEMENT AND LICENSE AGREEMENT

This Settlement and License Agreement (the “Agreement”) is made and effective the 1st day of October, 2005, by and between Linear Technology Corporation, with offices at 1630 McCarthy Blvd., Milpitas, CA 95035 ("Linear") and Monolithic Power Systems, Inc., with offices at 983 University Avenue, Building A, Los Gatos, CA 95032 ("MPS"). Linear and MPS are collectively referred to as the “Parties.”

WHEREAS Linear is the assignee and owner of all rights, title and interest in United States Patent Nos. 5,481,178 (the “178 Patent”) and 6,580,258 (the “258 Patent”) (collectively the “Patents-in-Suit”);

WHEREAS on or about July 16, 2004, Linear filed a Complaint to commence an investigation by the United States International Trade Commission, which in turn commenced Investigation No. 337-TA-521, entitled “In the matter of CERTAIN VOLTAGE REGULATOR CIRCUITS, COMPONENTS THEREOF AND PRODUCTS CONTAINING SAME” (the “ITC Proceeding”);

WHEREAS MPS filed an answer in the ITC Proceeding alleging that the Patents-in-Suit are invalid, unenforceable and not infringed;

WHEREAS Linear and MPS now desire to settle the ITC Proceeding and this dispute between them as hereinafter set forth;

The parties agree as follows:

I. DEFINITIONS

1.1 As used in this Agreement, “Linear” and “MPS” include and refer to each party’s respective parents, subsidiaries, affiliates and successors.

1.2 An “Affiliate” of Linear or MPS, respectively, shall mean any corporation, company or other legal entity, more than fifty percent (50%) of whose outstanding shares or securities (representing the right to select directors or other managing authority) are, now or hereafter, owned or controlled, directly or indirectly, by Linear or MPS but such corporation, company or other legal entity shall be deemed an Affiliate only so long as such ownership or control exists.
1.3 “Asserted Claims” shall mean the following patent claims allegedly infringed by MPS: claims 1, 31, 34, 41, 44, 55 and 56 of U.S. Patent No. 5,481,178 and claims 2 and 35 of U.S. Patent No. 6,580,258.

1.4 “Claims” shall mean any and all claims, counterclaims, demands, actions and causes of action, and any related damages, liabilities, losses, payments, obligations, costs and expenses (including, without limitation, attorneys’ fees and costs), of any kind or nature, fixed or contingent, direct or indirect, in law or equity, several or otherwise, known or unknown, suspected or unsuspected.

1.5 “Licensed Patents” shall mean U.S. Patent No. 5,481,178 and U.S. Patent No. 6,580,258, as well as all continuations, continuations-in-part, divisionals, or reissues or re-examinations thereof, and all foreign patents and patent applications counterpart thereto.

1.6 “Licensed Product” shall mean the MP1556 product and the EV0063 evaluation board (to the extent that it includes the MP1556).

1.7 “Net Selling Price” shall mean the priced charged by MPS to customers for the sale of the Licensed Product, less (a) returns and customary trade, quantity, cash discounts and rebates actually allowed and taken either at the time or later; (b) freight and insurance costs, if separately itemized on the invoice paid by the customer; (c) value-added, sales, use, or similar taxes and customs duties included in the invoice amount; (d) write-offs of accounts receivable from previous sales of Licensed Product; and (e) other credits or rebates actually allowed and taken either at the time or later.

1.8 “Sales” or “Sold” shall mean “the passing of title from the seller to the buyer for a price (Section 2401)” as set forth at California U.C.C. Section 2106(1), from a person within the definition of MPS to a person not within the definition of MPS.

II. SETTLEMENT AND RELEASE

2.1 The Parties agree to move for termination of the ITC investigation within one day of execution of this Agreement, and to submit a Consent Order and Consent Order Stipulation to the ITC in the form attached hereto as Exhibit A, together with a Joint Motion for Termination
of the Proceeding, and a Joint Motion to Suspend the Hearing pending the termination motion, in the form attached hereto as Exhibit B.

2.2 In consideration for MPS’s agreement to the Consent Order and other provisions set forth herein, Linear releases MPS from any and all Claims and liability for any alleged past infringement of the Licensed Patents. Linear further agrees that it will not assert the Licensed Patents against MPS or its direct or indirect customers, agents, suppliers or distributors for use, manufacture, importation, offer for sale, sale or other distribution of Licensed Products that were sold by or on behalf of MPS prior to the Effective Date of this Agreement.

2.3 Linear and MPS irrevocably and perpetually release and waive worldwide any and all Claims that they would have been compelled to bring in the ITC Proceeding or any related litigation against each other. Linear and MPS each represent and warrant that, on the date of its execution of this Agreement, it is unaware of any other Claims related to the Licensed Patents which it might bring or assert against each other. Each party expressly waives any rights or benefits available to it in any capacity under the provisions of Section 1542 of the California Civil Code and of any similar statute, law, regulation, principle of judicial interpretation or other rule (of California or any other jurisdiction.). Such Section 1542 provides:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR.

2.5 MPS agrees that, in any proceeding to enforce the Consent Order or this Agreement, MPS will not challenge or otherwise contest the validity of the Patents-in-Suit.
III. LICENSE

3.1 Linear hereby grants to MPS a non-exclusive, worldwide license under the Licensed Patents to use, make, have made, import, offer to sell, and sell or otherwise transfer Licensed Product. MPS’ license to the Licensed Patents does not include the right to grant sublicenses, and MPS’ “have made” rights do not include any right to act as a sales agent, commission agent, broker, factor distributor or reseller of Licensed Products made by third parties.

3.2 The term of this license shall be from the Effective Date through and including March 31, 2006 (the “Expiration Date”). This license shall terminate as of the Expiration Date, and MPS agrees that, by that date, it will discontinue any and all sales of the Licensed Product. Linear agrees that it will not assert the Licensed Patents against MPS or its direct or indirect customers, agents, suppliers, or distributors for use, manufacture, importation, offer for sale, sale or other distribution of Licensed Product that was sold by or on behalf of MPS prior to the Expiration Date.

3.3 MPS agrees that it has not made and will not make any sales of its MP1557-1559 products anywhere in the world. MPS further agrees that, except with respect to the Licensed Product, it has not made and will not make any sales of any other products in which the ZX circuitry identified by counsel for Linear in the ITC Proceeding is connected so as to allow such products to enter into what Linear referred to as “sleep mode,” “reverse polarity protection”, or otherwise practice the Asserted Claims anywhere in the world. For avoidance of doubt, Linear agrees that the MPS products, such as the MP2104, that have the accused ZX circuitry disabled as set forth in the ITC proceeding, do not infringe the Licensed Patents and that MPS may continue to make, have made, use, sell and offer to sell such products.

IV. ...

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V. CONFIDENTIALITY

5.1 Except as may otherwise be required by law, including public financial filing requirements, each party shall keep the financial terms of this Agreement confidential and shall not disclose such terms or provisions without first obtaining the written consent of the other party. The confidentiality obligations hereunder do not apply to the existence of this Agreement, but do apply to the terms and conditions hereof. The parties mutually agree to redact such terms and conditions from any public version of this Agreement filed with the ITC that contain information of commercial value. In addition, other than as may be required by corporate disclosure laws, neither party shall issue a press release concerning this Agreement, the Consent Order, or any other aspect of the ITC Proceedings.
VI. VENUE AND GOVERNING LAW

6.1 This Agreement is to be construed in accordance with and governed by the laws of the State of California without giving effect to any choice of law rule that would cause the application of the laws of any jurisdiction other than the laws of the State of California to the rights and obligations of the parties. The parties agree that any action arising out of or otherwise relating to this Agreement, including, without limitation, any action relating to the breach, interpretation or enforceability of this Agreement, shall be brought in the United States District Court for the District of Delaware or, if such court lacks jurisdiction, the courts of the State of Delaware. Each party hereby consents to the personal jurisdiction of, and waives any objection to venue in, such court. Notwithstanding the provisions of this section, Linear may also bring a proceeding to enforce the Consent Order in the ITC. In any proceeding brought pursuant to this section 6.1, the prevailing party shall be entitled to recover its attorneys' fees.

VII. RETURN OF DOCUMENTS

7.1 Not later than sixty (60) days after the Effective Date, all copies of documents containing confidential or proprietary information of a party produced in the ITC Proceeding by such party to the other party or otherwise obtained in the course of the litigation shall be destroyed or returned to counsel for the producing party, with the exception of an archival copy of pleadings, correspondence, work product, interrogatory responses, depositions, deposition exhibits, court exhibits and other documents included in submissions to the ITC, which may be retained by outside counsel for each party, subject, however, to compliance with any protective orders or other orders of the ITC. Each party and its outside counsel shall
certify compliance with the obligations of this Section 7.1.

VIII. MISCELLANEOUS

8.1 MPS and Linear each represents and covenants to the other that it is duly existing; that it has the full power and authority to enter into this Settlement and License Agreement; that it has not previously assigned to any person any claim against the other; that this Agreement does not and will not interfere with any other agreement to which it is a party and that it will not enter into any agreement the execution and/or performance of which would violate or interfere with this Agreement.

8.2 This Agreement shall be non-assignable except in connection with an acquisition of MPS, all or substantially all of MPS’ assets, or all or substantially all of the MPS business that includes the Licensed Product. The license rights pursuant to any assignment shall be limited to the acquired assets or business of MPS, and shall require the acquiring party to undertake MPS’ royalty and other obligations under the Agreement, provided that the acquiring party may elect to apply its license agreement and the terms of its license to MPS in lieu of this Agreement following the acquisition, if the acquiring party’s license permits such an election.

8.3 If one or more of the provisions of this Agreement are ruled wholly or partly invalid or unenforceable by the court, arbitrator or other government body of competent jurisdiction, then the validity and enforceability of all of the other provisions of this Agreement will be unaffected; and the provisions held wholly or partly invalid or unenforceable will be deemed amended, and the court, arbitrator or other government body shall reform the offending provision or provisions to the minimum extent necessary to render such provision or provisions valid and enforceable and, as so reformed, this Agreement shall be fully enforced.

8.4 Linear and MPS each represents that it has had the opportunity to be represented by counsel of its own choice in negotiating this Agreement. This Agreement shall therefore be deemed to have been negotiated and prepared at the joint request, direction and instruction of Linear and MPS, at arms length, with the advice and participation of counsel, and will be interpreted in accordance with its terms without favor to either Linear or MPS.
8.5 Linear and MPS agree that neither this Settlement and License Agreement nor any act under it constitutes or shall be construed to constitute an admission of liability or fault of any kind by MPS, which liability or fault of MPS expressly denies.

8.6 Linear and MPS agree that they will each sign such further documents and take such further acts as may be necessary to carry out the intent of this Agreement.

8.7 This Agreement may be signed in counterparts and shall be effective only when signed by Linear and MPS.

8.8 Any notice, demand, request, waiver or other communication required or permitted to be given hereunder shall be in writing and shall be effective (a) upon hand delivery, by telecopy or facsimile at the address or number designated below (if delivered on a Business Day during normal business hours where such notice is to be received), or the first Business Day following such delivery (if delivered other than a Business Day during normal business hours where such notice is to be received), or (b) on the second Business Day following the date of mailing by express courier service, full prepaid, addressed to such address, or upon actual receipt of such mailing, whichever shall first occur. The addresses for such communications shall be:

If to Linear:  
Linear Technology Corporation  
1630 McCarthy Blvd.  
Milpitas, CA 95035  
ATTN: CEO/CFO  
Fax: 408-434-0507

with a mandatory copy to:  
McDermott Will & Emery LLP  
600 13th Street, N.W.  
Washington, DC 20005  
ATTN: Stephen Becker  
Fax: 202-756-8087

If to MPS:  
Monolithic Power Systems, Inc.  
983 University Avenue  
Building A
Either party may change its address by the notice given to the other party in the manner set forth.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective duly authorized officers as of the Effective Date.

Date: 9/29/2005

Linear Technology Corporation
By: [Signature]
Title: CEO

Date: September 29, 2005

Monolithic Power Systems, Inc.
By: [Signature]
Title: CEO
EXHIBIT A
CONSENT ORDER

The United States International Trade Commission (the "Commission") on August 17, 2004, by publication in the Federal Register,1 instituted the above-captioned investigation under Section 337 of the Tariff Act of 1930, as amended (19 U.S.C. §1337), based upon the allegations in the Complaint filed by Linear Technology Corporation ("Linear"), which allege, inter alia, unfair acts and unlawful acts in the importation into the United States, the sale for importation into the United States, and the sale within the United States after importation of certain voltage regulators, components thereof, and products containing same by reason of infringement of claims 1, 31, 34, 41, 44, 55, and 56 of United States Patent No. 5,481,178 and claims 2 and 35 of United States Patent No. 6,580,2582 (the “Asserted Claims”) by named Respondent Monolithic Power Systems, Inc. (“MPS”).

2 Complainant’s initial July 16, 2004 complaint alleged that MPS infringed forty-three claims of the 5,481,178 and 6,580,258 patents (the “patents-in-suit). On May 27, 2005, Linear filed a Motion for Partial Termination of the Investigation as to certain claims of the patents-in-suit. As a result, the nine claims referred to above remain in issue. See June 17, 2005 Notice of Decision Not to Review an
The parties have executed a Settlement Agreement and a Consent Order Stipulation in which they agree to entry of this Consent Order and to all waivers and other provisions as required by Rule 210.21(c) of the Commission's Rules of Practice and Procedure (19 C.F.R. § 210.21(c)) (the "Commission Rules") and a Motion to Terminate the Investigation has been filed. In particular, the parties have stipulated as follows:

1. For purposes of this Consent Order, MPS admits and acknowledges the Commission's in rem jurisdiction over the Accused Products;

2. MPS admits and acknowledges the Commission's in personam jurisdiction over MPS for purposes of enforcement of the proposed Consent Order;

3. Linear is the Complainant in this investigation and is a publicly traded corporation (NASDAQ: LLTC) organized under the laws of the State of Delaware, with its principal place of business in Milpitas, California.

4. MPS is a publicly traded corporation (NASDAQ: MPWR) organized under the laws of the State of Delaware, with its principal place of business in Los Gatos, California.

5. Effective as of April 1, 2006, as set forth in the parties Settlement and License Agreement, MPS shall cease and desist

Initial Determination Granting Complainant's Motion to Terminate the Investigation in Part.

3 The "Accused Products" are comprised of the MP1556-1559 voltage regulator circuits and the EV0063 evaluation board. Linear Technology Corporation's Prehearing Brief at 74.
from importing or otherwise transferring or having transferred into the United States, or selling or offering for sale in the United States after importation, the accused MP1556 product, or other MPS products (if any) that include the accused MP1556 product as a component. MPS further agrees that it may not, at any time, import or otherwise transfer or have transferred into the United States, or sell or offer for sale in the United States after importation, the accused MP1557-1559 products, other MPS products that include the accused MP1557-1559 products as components, or other MPS products (with the sole exception of the MP1556) in which the ZX circuitry identified by counsel for Linear in this investigation is connected so as to allow such products to enter into what Linear refers to as “sleep mode”, “reverse polarity protection”, or otherwise practice the Asserted Claims.


7. MPS waives its right to seek judicial review or otherwise challenge or contest the validity of the proposed Consent Order;
8. MPS shall cooperate with and not seek to impede the Commission’s effort to gather information under subpart I of the Commission’s Rules, Part 210;

9. MPS shall only seek modification and revocation of, or relief from, any actions to enforce the Consent Order in accordance with subpart I of the Commission’s Rules, Part 210;

10. The Consent Order shall not apply to any claim of intellectual property that has expired or been found or adjudicated invalid or unenforceable by the Commission or a court or agency of competent jurisdiction;

11. The Consent Order shall become null and void upon expiration of the patents-in-suit;

12. MPS shall not seek to challenge the validity of the patents-in-suit in any proceeding to enforce this Consent Order;

13. The enforcement, modification, and revocation of the Consent Order will be carried out pursuant to Subpart I of the Commission’s Rules of Practice and Procedure (19 CFR Part 10, Subpart I);

14. The accompanying Consent Order Stipulation and this Consent Order are in the public interest;
15. The signing of this Consent Order Stipulation and the proposed
Consent Order are for settlement purposes only and do not
constitute an admission by Respondent MPS that an unfair act
has been committed under 19 U.S.C. § 1337;

NOW, THEREFORE, the Commission issues the following Consent Order:
A. Effective April 1, 2006, MPS shall cease and desist from
directly or indirectly importing or otherwise transferring or
having transferred into the United States, or selling or offering
for sale in the United States following importation, its MP1556
product, or other MPS products (if any) that include the MPS
1556 product as a component. In addition, upon entry of this
Consent Order, MPS shall immediately cease and desist from
directly or indirectly importing or otherwise transferring or
having transferred into the United States, or selling or offering
for sale in the United States following importation, its MP1557,
MP1558 and MP1559 products, other MPS products that
include such products as components, or other MPS products
(with the sole exception of the MP1556) in which the ZX
circuitry identified by counsel for Linear in this investigation is
connected so as to allow such products to enter into what Linear
refers to as “sleep mode”, “reverse polarity protection”, or otherwise practice the Asserted Claims.

B. MPS shall be precluded from seeking judicial review or otherwise challenging or contesting the validity of this Consent Order.

C. MPS shall cooperate with and shall not seek to impede by litigation or other means the Commission’s efforts to gather information under Subpart I of the Commission’s Rules of Practice and Procedure (19 CFR Part 210, Subpart I).

D. MPS shall not seek to challenge, and is precluded from making any challenges to, the validity of the Asserted Claims of the patents-in-suit in any administrative or judicial proceeding brought to enforce this Consent Order.

E. When United States Patent Nos. 5,481,178 and 6,580,258 have expired, this Consent Order shall become null and void.

F. If any of the Asserted Claims of the patents-in-suit is hereafter held invalid or unenforceable by a court or agency of competent jurisdiction, in a final decision, and all rights of appeal have been either waived or exhausted, this Consent Order shall become null and void as to such invalid or unenforceable claim(s).
G. This investigation is hereby terminated, provided, however, that enforcement, modification, or revocation of this Consent Order shall be carried out pursuant to Subpart I of the Commission's Rules of Practice and Procedure (19 CFR Part 210, Subpart I).

H. The entry of this Consent Order does not constitute a determination as to the Commission of an unfair act by MPS.

BY ORDER OF THE COMMISSION

Executed this ___ day of September, 2005 at Washington, D.C.

U.S. INTERNATIONAL TRADE COMMISSION
500 E Street, S.W.,
Washington, D.C. 20436

________
Marilyn R. Abbott, Secretary
CONSENT ORDER STIPULATION

WHEREAS, the United States International Trade Commission (the “Commission”) on August 17, 2004, by publication in the Federal Register, instituted the above-captioned investigation under Section 337 of the Tariff Act of 1930, as amended (19 U.S.C. § 1337), based upon the allegations in the Complaint filed by Linear Technology Corporation (“Linear”), which allege, inter alia, unfair acts and unlawful acts in the importation into the United States, the sale for importation into the United States, and the sale within the United States after importation of certain voltage regulators, components thereof, and products containing same by reason of infringement of claims 1, 31, 34, 41, 44, 55, and 56 of United States Patent No. 5,481,178 and claims 2 and 35 of United States Patent No. 6,580,258 (the “Asserted Claims”) by Respondent Monolithic Power Systems, Inc. (“MPS”);


5 Complainant’s initial July 16, 2004 complaint alleged that MPS infringed forty-three claims of the 5,481,178 and 6,580,258 patents (the “patents-in-suit”). On May 27, 2005, Linear filed a Motion for Partial Termination of the Investigation as to certain claims of the patents-in-suit. As a result, the nine claims referred to above remain in issue. See June 17, 2005 Notice of Decision Not to Review an Initial Determination Granting Complainant’s Motion to Terminate the Investigation in Part.
WHEREAS, MPS and Linear have entered into a Settlement and License Agreement regarding the accused MP1556, MP1557, MP1558, MP1559 and EV0063 products (collectively, the “Accused Products”) and to the entry of the proposed Consent Order submitted herewith, which is incorporated herein by reference, by the Commission, and have agreed to all waivers and provisions required by Commission Rule 210.21(c), 19 C.F.R. § 210.21(c); IT IS HEREBY STIPULATED by the parties as follows:

A. For purposes of this Stipulation and the Consent Order, MPS admits and acknowledges the Commission’s *in rem* jurisdiction over the Accused Products;

B. MPS admits and acknowledges the Commission’s *in personam* jurisdiction over MPS for purposes of enforcement of the Consent Order;

C. Complainant Linear Technology Corporation is the Complainant in this investigation and is a publicly traded corporation (NASDAQ: LLTC) organized under the laws of the State of Delaware, with its principal place of business in Milpitas, California.

D. MPS is a publicly traded corporation (NASDAQ: MPWR) organized under the laws of the State of Delaware, with its principal place of business in Los Gatos, California.

E. Effective as of April 1, 2006, as set forth in the parties Settlement and License Agreement, MPS shall cease and desist from importing or otherwise transferring or having transferred into the United States, or selling or offering for sale in the United States after importation, the accused MP1556 product, or other MPS products (if any) that include
the accused MP1556 product as a component. MPS further agrees that it may not, at any time, import or otherwise transfer or have transferred into the United States, or sell or offer for sale in the United States after importation, the accused MP1557-1559 products, other MPS products that include the accused MP1557-1559 products as components, or other MPS products (with the sole exception of MP 1556) in which the ZX circuitry identified by counsel for Linear in this investigation is connected so as to allow such products to enter into what Linear refers to as “sleep mode”, “reverse polarity protection”, or otherwise practice the Asserted Claims.

F. Entry of the Consent Order will terminate Investigation No. 337-TA-521.

G. MPS waives its right to seek judicial review or otherwise challenge or contest the validity of the proposed Consent Order;

H. MPS will cooperate with and not seek to impede by litigation or otherwise the Commission’s effort to gather information under subpart I of the Commission’s Rules, Part 210;

I. MPS will only seek modification and revocation of, or relief from, any actions to enforce the Consent Order in accordance with, subpart I of the Commission’s Rules, Part 210, and the enforcement, modification
and revocation of the Consent Order will be carried out pursuant to these provisions;

J. The Consent Order shall not apply to any claim of intellectual property that has expired or been found or adjudicated invalid or unenforceable by the Commission or a court or agency of competent jurisdiction;

K. The Consent Order will become null and void upon expiration of the patents-in-suit.

L. MPS will not seek to challenge the validity of the patents-in-suit in any proceeding to enforce the Consent Order;

M. Except as otherwise provided in the Consent Order, the Consent Order, the Consent Order Stipulation, the Settlement and License Agreement, and Linear's Unopposed Partial Motion to Terminate the Investigation as to Certain Claims of the 5,481,178 and 6,580,248 Patents (enumerating the nine claims remaining in issue in this investigation), may be used in construing the Consent Order; provided, however, that any agreements, understandings, representations, or interpretations not contained in this Consent Order Stipulation or the Commission decision accompanying the Consent Order may not be used to vary the terms of the Consent Order;

N. This Consent Order Stipulation and the Consent Order are in the public interest;
O. The signing of this Consent Order Stipulation and the Consent Order are for settlement purposes only and do not constitute an admission by Respondent MPS that an unfair act has been committed under 19 U.S.C. § 1337, as amended.

IT IS SO STIPULATED.

Executed this 29 day of September, 2005
at Los Gatos, California

MONOLITHIC POWER SYSTEMS, INC.
983 University Avenue, Building A
Los Gatos, California 95032

By Michael Hsing, President and CEO

Executed this ___ day of September, 2005
at Washington, D.C.

Office of Unfair Import Investigations
U.S. INTERNATIONAL TRADE COMMISSION
500 E Street, S.W., Suite 401
Washington, D.C. 20436

By __________________________
David H. Hollander, Jr., Esq.

Executed this ____ day of September, 2005
at Milpitas, California

LINEAR TECHNOLOGY CORPORATION
1630 McCarthy Boulevard
Milpitas, CA 95035

By __________________________
Lothar Maier, CEO
EXHIBIT B
UNITED STATES INTERNATIONAL TRADE COMMISSION
WASHINGTON, D.C. 20436

Before the Honorable Sidney Harris
Administrative Law Judge

In the Matter of)
CERTAIN VOLTAGE REGULATOR)
CIRCUITS, COMPONENTS)
THEREOF AND PRODUCTS)
CONTAINING SAME)

Investigation No. 337-TA-521

JOINT MOTION TO TERMINATE INVESTIGATION BASED UPON A
SETTLEMENT AGREEMENT AND CONSENT ORDER

Pursuant to Commission Rules of Practice and Procedure 210.21(b) and (c), 19
C.F.R. §§ 210.21(b) and (c), Complainant Linear Technology Corporation and
Respondent Monolithic Power Systems, Inc. ("MPS") hereby jointly move to
terminate this Investigation based upon the attached Consent Order Stipulation
(Exhibit A), proposed Consent Order (Exhibit B), and Settlement and License
Agreement (Exhibit C) attached hereto.

Complainant alleged violations of Section 337 of the Tariff Act of 1930, as
amended, 19 U.S.C. § 1337, in the importation into the United States, the sale for
importation into the United States, and sale within the United States after importation
of the MPS’s MP1556-1559 voltage regulator circuits by reason of alleged

The Settlement and License Agreement includes Confidential Business Information within the meaning of 19 C.F.R. § 201.6. Complainant and Respondent, therefore, request that the Settlement and License Agreement be treated as Confidential Business Information under the protective order (Order No. 1) in this investigation. A public version of the Settlement and License Agreement is attached hereto as required by Commission Rule 210.21(b), 19 C.F.R. § 210.21(b). There are no other agreements, written or oral, express or implied, between Complainant and Respondent concerning the subject matter of this investigation.

Respondent agrees to the entry of the proposed Consent Order that, effective as of April 1, 2006, it or any of its majority-owned subsidiaries will not import, sell for importation, or sell or offer for sale within the United States the accused MP1556 product, or other MPS products (if any) that include the accused MP1556 product as a component. MPS further agrees that it may not, at any time, import or otherwise transfer or have transferred into the United States, or sell or offer for sale in the United States after importation, the accused MP1557-1559 products, other MPS products that include the accused MP1557-1559 products as components, or other

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1 Complainant's initial July 16, 2004 complaint alleged that MPS infringed forty-three claims of the 5,481,178 and 6,580,258 patents. On May 27, 2005, Linear filed a Motion for Partial Termination of the Investigation as to certain claims of the patents-in-suit. Thus, the nine claims referred to above remain. See June 17, 2005 Notice of Decision Not to Review an Initial Determination Granting Complainant's Motion to Terminate the Investigation in Part.
MPS products (with the sole exception of the MP1556) in which the ZX circuitry identified by counsel for Linear in this investigation is connected so as to allow such products to enter into what Linear refers to as "sleep mode," "reverse polarity protection," or otherwise practice the asserted claims.

The Consent Order Stipulation (attached hereto as Exhibit A) contains the admissions, waivers, statements, and other requirements pursuant to Commission Rule 210.21(c)(3). Complainant and Respondent submit that entry of the proposed Consent Order (attached hereto as Exhibit B) and termination of this investigation are in the public interest, which favors the settlement of disputes to avoid needless litigation and to conserve public and private resources. Entering the Consent Order will promote administrative economy by obviating the need for a hearing. Moreover, entering the attached Consent Order will not impose an undue burden on the public health and welfare, competitive conditions in the U.S. economy, production of like or directly competitive articles in the United States, or U.S. consumers.

Complainant has consulted with the Commission Investigative Attorney regarding this Joint Motion. The Commission Investigative Attorney will provide the position of the Office of Unfair Import Investigations after reviewing the attached papers.

Accordingly, Complainant and Respondent respectfully request that the Administrative Law Judge issue an initial determination terminating this
investigation on the basis of the Settlement and License Agreement, Consent Order Stipulation and Consent Order. Complainant and Respondent respectfully request that the Consent Order be entered.

Dated: September 30, 2005

MCDERMOTT, WILL & EMERY LLP

By: [Signature]

Mark G. Davis
D. Sean Trainor
MCDERMOTT WILL & EMERY LLP
600 13th Street, N.W.
Washington, D.C. 20005-3096
Telephone: (202) 756-8000
Facsimile: (202) 756-8087

Terrence P. McMahon
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Palo Alto, California 94304-1212
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COUNSEL FOR COMPLAINANT
LINEAR TECHNOLOGY CORPORATION
Dated: September 30, 2005

LATHAM & WATKINS LLP
By: Mark A. Flagel
Robert Steinberg
Rosslyn Stevens Hummer
Sean S. Pak
LATHAM & WATKINS LLP
633 West Fifth Street, Suite 4000
Los Angeles, CA 90071-2007
Telephone: (213) 485-1234
Facsimile: (213) 891-8763

COUNSEL FOR RESPONDENT
MONOLITHIC POWER SYSTEMS, INC.
UNITED STATES INTERNATIONAL TRADE COMMISSION  
WASHINGTON, D.C. 20436  

Before the Honorable Sidney Harris  
Administrative Law Judge  

In the Matter of  
CERTAIN VOLTAGE REGULATOR  
CIRCUITS, COMPONENTS THEREOF  
AND PRODUCTS CONTAINING SAME  

Investigation No. 337-TA-521  

JOINT MOTION OF COMPLAINANT LINEAR TECHNOLOGY CORPORATION  
AND RESPONDENT MONOLITHIC POWER SYSTEMS, INC.’S  
TO SUSPEND HEARING PENDING CONSIDERATION  
OF JOINT MOTION TO TERMINATE BY WAY OF SETTLEMENT AGREEMENT  
AND CONSENT ORDER;  
REQUEST FOR EXPEDITED CONSIDERATION;  
MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT  

Pursuant to the United States International Trade Commission’s Rules Regarding  
Adjudication and Enforcement of Investigations of Unfair Practices on Import Trade, (the  
“Commission Rules”), Complainant Linear Technology Corporation (“Linear”) and Respondent  
Monolithic Power Systems, Inc. (“MPS”) (collectively, the “Parties”) hereby move for a  
suspension of the procedural schedule and continuance of the hearing currently set to commence  
on October 4, 2005 (see Order Nos. 14 and 15) pending consideration of the Parties’  
concurrently filed Joint Motion for Termination by Way of Settlement Agreement and Consent  
Order.  

The Parties respectfully request expedited consideration of this Motion as the  
hearing in this Investigation is set to commence less than one week from the filing of The  
Parties’ Joint Motion to Terminate by Way of Settlement Agreement and Consent Order, and
proceeding with hearing preparation and the hearing would needlessly waste private and public resources.

    This Joint Motion is based on this notice, the attached supporting memoranda of points and authorities, the concurrently filed Joint Motion for Termination by Way of Settlement /Agreement and Consent Order, proposed Consent Order, and Consent Order Stipulation, and such other and further evidence as may be presented at any hearing on this motion.

///
///
///
Dated: September 16, 2005

Respectfully submitted,

Mark A. Flagel
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Sean S. Pak
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Mark G. Davis
Attorneys for Linear Technology Corporation
MEMORANDUM OF POINTS AND AUTHORITIES

"Commission policy and the public interest generally favor settlements." In the Matter of Digital Processing, Digital Processing Systems Component Thereof, and Products Containing Same, Inv. No. 337-TA-529, Order No. 23 at 6 (Aug. 8, 2005) (Joint Motion of Parties, citing Certain Disk Drives, Inv. No. 337-GA-516, Order No. 15 (May 13, 2005); In the Matter of Certain Automotive Measuring Devices, Products Containing Same, and Bezels for Such Devices, Inv. No. 337-TA-494, Order No. 22 (Apr. 22, 2004); In the Matter of Certain Synchronous Dynamic Random Access Memory Devices, Microprocessors, and Products Containing Same, Inv. No. 337-TA-431, Order No. 11 (July 12, 2000)); In the Matter of Certain Rare-Earth Magnets and Magnetic Materials and Articles Containing the Same, Order No. 26 at 3, Initial Determination Terminating the Investigation as to Respondents Htie and Houghes on the Basis of Consent Order Stipulations and Incorporated Proposed Consent Orders, (Jan. 14, 1999) (articulating that the "public interest favors settlement to avoid needless litigation and to conserve public resources"). Indeed, many published Commission rulings cite to conservation of public and private resources as one reason favoring early termination of an investigation. See, e.g., Synchronous Dynamic RAMs, Inv. No. 337-TA-431, Order No. 11 (July 12, 2000) ("[S]ettlement of the Investigation benefits the public interest by conserving Commission resources and sparing the parties, third parties who are involved in discovery, and the public from unnecessary litigation burdens and costs.")

It would therefore be anomalous to proceed with preparation for a hearing and the hearing in this Investigation while the Court considers a joint motion that would terminate the Investigation in its entirety. See, e.g., In the Matter of Certain Compact Disks and DVD Holders, Inv. No. 337-TA-482 Order No. 7 (Feb. 24, 2003).
Accordingly, the Parties respectfully requests that the procedural schedule, as currently set forth in Order Nos. 15 and 16, be suspended pending consideration of their Joint Motion for Termination by Way of Consent Order.
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Respectfully submitted,

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