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ENGINEERING, S.A.

18 UNITED STATES DISTRICT COURT
19 NORTHERN DISTRICT OF CALIFORNIA, SAN JOSE DIVISION

CV 12-05025

20 SYNOPSISYS, INC., a Delaware Corporation,
EVE-USA, INC., a Delaware Corporation, and
21 EMULATION AND VERIFICATION
ENGINEERING, S.A., formed under the laws
22 of France,

Case No.

**COMPLAINT FOR DECLARATORY
AND INJUNCTIVE RELIEF**

23 Plaintiffs,

DEMAND FOR JURY TRIAL

24 v.

25 MENTOR GRAPHICS CORPORATION, an
Oregon Corporation,

26 Defendants.

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1 Plaintiffs Synopsys, Inc., EVE-USA, Inc. and Emulation and Verification Engineering,
2 S.A. (collectively, "Plaintiffs") allege as follows:

3 **THE PARTIES**

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

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

8 3. Plaintiff Emulation and Verification Engineering, S.A. is a French corporation
9 headquartered in Wissous, France. Plaintiffs EVE-USA, Inc. and Emulation and Verification
10 Engineering, S.A. are collectively referred to herein as "EVE."

11 4. Upon information and belief, Defendant Mentor Graphics Corp. ("Mentor
12 Graphics") is a corporation organized and existing under the laws of the State of Oregon. Mentor
13 Graphics has four offices in California (Fremont, El Segundo, Irvine and San Diego) and
14 additional offices in other parts of the United States.

15 **BACKGROUND**

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

21 6. Mentor Graphics also alleged in a Complaint filed in the United States District
22 Court for the District of Oregon, Case No. 6:06-cv-00341-AA, that it owns all right, title and
23 interest in U.S. Patent No. 5,649,176 ("the '176 patent"), entitled "Transition Analysis and Circuit
24 Resynthesis Method and Device for Digital Circuit Modeling," which issued on or about July 15,
25 1997. This action was dismissed with prejudice on November 30, 2006.

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

5 JURISDICTION AND VENUE

6 8. This action arises under the Declaratory Judgment Act and the patent laws of the
7 United States, more particularly under Title 28 U.S.C. §§ 2201 and 2202 and Title 35 U.S.C.
8 §§ 100 et. seq., respectively. This court has jurisdiction under Title 28 U.S.C. §§ 1331, 1338 and
9 2201.

10 9. Venue in this district is proper under 28 U.S.C. § 1391 and 1400(b). Plaintiff
11 Synopsys, Inc. is headquartered in this District, occupying more than 800,000 square feet in eight
12 different buildings in Mountain View and Sunnyvale, California. Synopsys, Inc. recently entered
13 into a long-term lease for an additional 340,000-square-foot building in Mountain View, where it
14 has had a long-term presence since it was founded in 1986. EVE-USA, Inc. also has its principal
15 place of business in this District. EVE-USA, Inc.’s headquarters are located in San Jose,
16 California.

17 10. Mentor Graphics has alleged that the ZeBu line of hardware-assisted verification
18 products, which are manufactured, imported, sold and offered for sale by EVE (hereinafter the
19 “ZeBu Products”), infringe the ’531, ’176 and ’376 patents. On or about March 13, 2006, Mentor
20 Graphics filed a Complaint in the United States District Court of Oregon, Case No. 6:06-cv-
21 00341-AA, which alleged that EVE infringed the ’531 patent by selling and supporting the ZeBu
22 Products. On or about May 19, 2006, Mentor Graphics filed a First Amended Complaint, which
23 alleged that EVE infringed the ’531, ’176 and ’376 patents, directly, contributorily and by
24 inducement, by selling and supporting the ZeBu Products. On November 30, 2006, the action
25 was dismissed with prejudice and the parties finalized a settlement agreement in December 2006.

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

3 12. On or about August 17, 2012, Mentor Graphics commenced a third litigation
4 against EVE by filing yet another Complaint in the United States District Court of Oregon, Case
5 No. 3:12-cv-01500-SI, alleging that EVE infringes U.S. Patent No. 6,947,882 by making, using,
6 selling, offering for sale, importing and supporting the ZeBu Products.

7 13. On September 27, 2012, Synopsys, Inc. entered into an agreement to acquire the
8 business of EVE, including the ZeBu Products. The proposed acquisition is expected to close in
9 the immediate future. Accordingly, in the immediate future, Plaintiffs will be using, importing,
10 selling, offering for sale and/or supporting the ZeBu Products in the United States, which line of
11 products was previously accused by Mentor Graphics of infringing the '531, '176 and '376
12 patents and which products share structures and functionality that Mentor Graphics alleged are
13 relevant to the claims of the '531, '176 and '376 patents.

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

20 15. Upon information and belief, and given the terms of the 2006 settlement
21 agreement, coupled with the timing of the communication, Mentor Graphics' statements were
22 meant to convey an explicit threat that should Synopsys, Inc. consummate its contemplated
23 acquisition of EVE, Synopsys and/or EVE would thereupon be subject to suit by Mentor Graphics
24 for patent infringement of the '531, '176 and '376 patents.

25 16. Based on the acts, conduct and statements of Mentor Graphics, there exists an
26 actual and substantial controversy, within the meaning of 28 U.S.C. §§ 2201 and 2202, between
27 Plaintiffs and Mentor Graphics, as to whether Plaintiffs or any of the ZeBu Products have
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1 infringed, or continue to infringe, any of the claims of the '531, '176 and '376 patents, as to
2 whether the claims of the '531, '176 and '376 patents are valid, and as to whether Mentor
3 Graphics is without right or authority to threaten or to maintain suit against Plaintiffs for alleged
4 infringement of the '531, '176 and '376 patents. The existing controversy is of sufficient
5 immediacy and reality to warrant the issuance of a declaratory judgment of non-infringement and
6 invalidity, as set forth further herein.

7 **COUNT I**

8 **(Declaratory Judgment of Invalidity)**

9 17. Plaintiffs incorporate by reference the allegations set forth in paragraphs 1 through
10 16 of this Complaint as though set forth in full herein.

11 18. This is a claim for declaratory judgment of invalidity of any and all claims of the
12 '531, '176 and '376 patents.

13 19. The '531, '176 and '376 patents, and each claim thereof, are invalid under one or
14 more provisions of Title 35 of the United States Code, including, without limitation, Sections
15 101, 102, 103 and 112.

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

19 21. The claims of the '531, '176 and '376 patents are invalid because the
20 specifications of the '531, '176 and '376 patents do not contain a written description of the
21 invention and of the manner and process of making and using it, in such full, clear, concise and
22 exact terms as to enable any person skilled in the art to which it pertains, or with which it is most
23 nearly connected, to make and/or use the same, as required by 35 U.S.C. § 112.

24 22. The claims of the '531, '176 and '376 patents are invalid for failure to meet the
25 conditions for patentability set forth in 35 U.S.C. §§ 102 and 103.

26 23. Absent a declaration of invalidity, Mentor Graphics will continue to wrongfully
27 assert or threaten to assert the '531, '176 and '376 patents against Plaintiffs, in violation of the
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1 laws and contrary to the public policy of the United States, and will thereby continue to cause
2 Plaintiffs irreparable injury and damage.

3 24. A judicial determination on the disputes recited herein is necessary and appropriate
4 at this time so the parties may ascertain their respective rights and obligations with respect to the
5 '531, '176 and '376 patents and any past, present or future manufacture, use, importation,
6 distribution, sale, or offer for sale of ZeBu Products.

7 25. Synopsys, Inc. has filed a petition for inter partes review of the patentability of the
8 claims of U.S. Patent No. 6,240,376 with the United States Patent and Trademark Office.
9 Accordingly, adjudication of this action as to the '376 patent may be automatically stayed under
10 35 U.S.C. § 315(a) unless Mentor Graphics files a counterclaim or civil action alleging that
11 Plaintiffs have infringed the '376 patent or moves to lift the stay.

12 COUNT II

13 (Declaratory Judgment of Non-Infringement)

14 26. Plaintiffs incorporate by reference the allegations set forth in paragraphs 1 through
15 16 of this Complaint as though set forth in full herein.

16 27. This is a claim for declaratory judgment of non-infringement of any valid claims
17 of the '531, '176 and '376 patents.

18 28. Plaintiffs do not directly, contributorily, or by inducement, infringe any claim of
19 the '531, '176 and '376 patents, either literally or under the doctrine of equivalents.

20 29. The manufacture, importation, use, sale, or offer for sale of any of the ZeBu
21 Products in the United States does not directly infringe, contributorily infringe, or induce
22 infringement of any claim of the '531, '176 and '376 patents, either literally or under the doctrine
23 of equivalents.

24 30. Defendant Mentor Graphics is without right or authority to threaten or to maintain
25 suit against Plaintiffs for alleged infringement of the '531, '176, and '376 patents.

26 31. Absent a declaration of non-infringement, Mentor Graphics will continue to
27 wrongfully assert or threaten to assert the '531, '176 and '376 patents against Plaintiffs, in
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1 violation of the laws and contrary to the public policy of the United States, and will thereby
2 continue to cause Plaintiffs irreparable injury and damage.

3 32. A judicial determination on the disputes recited herein is necessary and appropriate
4 at this time so the parties may ascertain their respective rights and obligations with respect to the
5 '531, '176 and '376 patents and any past, present or future manufacture, use, importation,
6 distribution, sale, or offer for sale of ZeBu Products.

7 **WHEREFORE**, Plaintiffs pray for adjudication as follows:

8 1. Entry of judgment

- 9 a. that Defendant Mentor Graphics is without right or authority to threaten or to
10 maintain suit against Plaintiffs for alleged infringement of U.S. Patent Nos.
11 6,009,531, 5,649,176 and 6,240,376;
12 b. that said patents are invalid; and
13 c. that said patents are not infringed and have not been infringed by Plaintiffs or
14 by the manufacture, use, sale, offer for sale, or importation of Plaintiffs'
15 products, by Plaintiffs or otherwise.

16 2. Entry of preliminary and permanent injunctions enjoining Defendant, its officers,
17 agents, servants, employees, licensees and attorneys and those persons in active concert or
18 participation with them and all others in privity therewith (a) from initiating or prosecuting any
19 lawsuit or proceeding placing at issue the right of Plaintiffs, their customers, licensees,
20 successors, assigns and all others in privity therewith, to make, use, sell, offer for sale or import
21 Plaintiffs' products, with respect to the '531, '176 and '376 patents (b) from interfering with or
22 threatening to interfere with the manufacture, sale, offer for sale, use or importation of Plaintiffs'
23 products by Plaintiffs, or each of them, or any of their customers, licensees, dealers, agents,
24 servants, or employees, or any prospective or present sellers, dealers, or users of Plaintiffs'
25 products, and all others in privity therewith, with respect to the '531, '176 and '376 patents; and
26 (c) from making any claim to any person or entity that Plaintiffs' products infringe the '531, '176
27 and '376 patents, said injunction to be made permanent following trial.

1 Dated: September 27, 2012

Respectfully submitted,

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3 RICARDO RODRIGUEZ
4 REUBEN H. CHEN
5 Cooley LLP

6 By: 
7 REUBEN H. CHEN

8 *Attorneys for Plaintiffs EVE-USA, Inc., and*
9 *Emulation & Verification Engineering, S.A.*

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