SheppardMullin

Semiconductors

At Sheppard Mullin, our lawyers understand that every step of semiconductor production—from design to end product—is critical to the modern global economy. We bring technical education background, work experience, industry experience, and specialized legal expertise to protect the vital work of our clients in this field.

Because semiconductors are essential to so many industries, companies, countries, and economies, we work with our clients to develop geopolitically savvy strategies to survive and thrive in a changing world. At the same time, our unique sector experience allows us to delve into the minute details of our clients' work and ensure they have every competitive advantage that our advice can provide.

Fast Facts

- We represent more than 50 clients in the semiconductor industry, and are members of the Chinese American Semiconductor Professional Association.
- We support our semiconductor clients across all areas of law including Intellectual Property, Litigation, International Trade, Antitrust, Mergers & Acquisitions, Labor & Employment, and day-to-day counseling.
- Dozens of our lawyers have advanced technical degrees in high tech and scientific fields such as engineering and computer science.
- Several lawyers have relevant prior experience, such as working as an engineer at Intel, as an engineer at Qualcomm, as an engineer at Xilinx; as a field engineer for a fabless semiconductor firm developing embedded devices, including cellular handsets; and as a research associate at Argonne National Laboratory, focusing on design and fabrication of semiconductor nanomaterials.

Our intellectual property team is exceptionally qualified with both lawyers who previously worked as engineers in the semiconductor industry as well as those with relevant educational backgrounds (including Ph.D.'s) in:

- Electrical, Chemical, and Mechanical Engineering
- Material Science and Physics
- Semiconductor Design, Process, and Manufacture
- Computer Software and Hardware
- Information and Computer Science

We have a passion for technology and science, and its intersection with the law. We bring an unparalleled understanding of the semiconductor industry to our clients with a wide range of experience covering export controls, acquisitions, IP, and employment.

Semiconductors and Global Trade

Geopolitical movements are playing out in the semiconductor realm, and new regulations in the U.S., Europe, and Asia are reshaping the industry. Our lawyers are helping clients navigate technology controls, export licensing requirements, Foreign Direct Investment (CFIUS) restrictions, and sanctions regulations—threading a narrow path to success over a shifting landscape. We have obtained hundreds of millions of dollars' worth of export licenses for our clients, advocated for them before the U.S. Bureau of Industry and Security, the U.S. Office of Foreign Assets Control, U.S. Trade Administration, the Dutch Ministry of Foreign Affairs, and the EU Directorate General for Trade. From design to mask, to fabrication to packaging, our trade lawyers understand the industry and provide the insight their clients need to succeed.

Semiconductors and IP

We have significant experience assisting semiconductor clients protect their technology and defend against patent and trade secret allegations. We have assisted clients at the very beginning of disputes before litigation has been initiated, and after a client has already faced aggressive litigation. Our team has multiple lawyers who worked at semiconductor companies and have worked on cases involving semiconductor designs and design tools. For example, in the past year we defended multiple entities against Bell Semiconductor, who asserted 11 semiconductor design-related patents against our clients, simultaneously at the ITC in two separate proceedings, and in various District Courts. We also handled assertions in the Northern District of California and Texas for semiconductor and semiconductor tool companies. Our work in those cases involved significant time spent understanding semiconductor design tools.

We have expertise in assisting semiconductor companies in developing and implementing company-specific patent strategies, evaluating the patentability of new products and inventions, and preparing and prosecuting patent applications in the United States and throughout the world. Many of our lawyers have advanced degrees in semiconductor fields and some have worked in semiconductor companies as engineers for years before entering the patent profession. The breadth and depth of technical expertise, coupled with legal skills, enable us to work closely with inventors and in-house lawyers to develop strong worldwide patent portfolios and help clients protect their technical advantages.

Semiconductors and the U.S. Government

In recent years, the U.S. government has directed billions of dollars toward semiconductor development and implemented restrictions targeting foreign adversaries. Our government contracts team provides a full range of legal services to clients in the semiconductor industry that do business with governmental entities. We advise clients on compliance and best practices with respect to complex government regulations and contract terms and defend them in the event of litigation. Our team has significant experience counseling on country of origin and supply chain risk management issues, including Section 5949 of FY2023 NDAA restrictions on covered semiconductor products and services. We also focus on the unique issues associated with federal grants, cooperative agreements, loans, guarantees, and OTA agreements, including those under the CHIPS Act and other government programs to incentivize semiconductor activity in the U.S.

Semiconductors and M&A

Driven by a number of global factors, including ever increasing consumer demand, strained supply chains and the benefits of achieving economies of scale, there have been hundreds of billions of dollars of mergers and acquisition activity in the semiconductor industry in recent years. Our M&A team leverages its deep industry knowledge to efficiently assist our clients in getting their semiconductor transactions done. In addition to traditional stock sales, asset sales and mergers, we help clients with joint ventures and strategic alliances, minority investments, recapitalizations, distressed transactions, cross-border deals and restructurings, divestitures and roll-ups, among others. We represent everyone from strategics to entrepreneurs, to private equity and venture capital firms, helping them execute complex and transformational transactions in this ever-changing space.

Experience

- Represented leading semiconductor company in six district court actions across Delaware and Massachusetts as well as and ITC investigation, with a total of 11 patents being asserted.
- Previously represented the same company in an ITC investigation which was voluntarily dropped by the plaintiff before trial.
- Represented leading semiconductor company in two IPRs against IP Value Management subsidiary involving microcontrollers, FPGAs, and other programmable devices, with both IPRs instituted and all challenged claims found invalid in Final Written Decisions.
- Represented leading EDA tool maker in its defense against patent infringement claims in the Northern District of California.
- Represented leading semiconductor company in various litigation and licensing negotiations, including patent assertions in the Eastern District of Texas.
- Represented leading semiconductor and AI company in various patent disputes, including patent validity challenges before the PTAB.
- Successfully obtained licenses for the export of hundreds of millions of dollars' worth of semiconductor technology and products.
- Audited and reported on export compliance for a silicon photonics company, satisfying the stake holders and obtaining its financing round from strategic semiconductor-industry investors.
- Obtained CFIUS clearance for numerous non-U.S. investments in U.S. semiconductor startup companies.
- Defended a semiconductor company in Shenzhen, China in a patent infringement litigation involving MEMS devices and successfully settled for the defendant without any payment to plaintiff.
- Represented founding member of HDMI standard in SEP infringement action and defense of allegations of breach of FRAND license obligations.
- Defended semiconductor company in an action of over $1 billion in damages claimed based on the alleged misappropriation of trade secrets and infringement of fourteen patents regarding a variety of semiconductor fabrication processes, SRAM designs and related technologies. Case favorably settled for a cross-license in exchange for $175 million.
- Developed a patent portfolio, which has been successfully enforced, for pioneering semiconductor technology relating to gallium nitride based blue LEDs and blue laser devices.

- Advised multiple international semiconductor companies on compliance with new MEU and Foreign Direct Product rules.
- Lead counsel for two European manufacturers of semiconductor testing devices and probes in a patent infringement matter and defending their patent before the Patent Trial and Appeal Board.
- Represented SK hynix, a semiconductor and memory solution company, in various investment transactions.
- Provided antitrust and corporate compliance counseling to Samsung Venture Investment Corporation in connection with overseas investments.
- Defense of Samsung SDI America in a class action alleging defects in the batteries for the Note 7 Smartphone.
- Defense of Samsung SDI and related entities in DOJ grand jury criminal price fixing and foreign enforcement investigations involving cathode ray tubes and related direct and indirect civil class actions.
- Defense of Samsung Electronics and related entities in DOJ grand jury criminal price fixing and foreign enforcement investigations involving TFT-LCD and related direct and indirect civil class actions.
- Defense of Samsung Electronics and related entities in DOJ grand jury criminal price fixing and foreign enforcement investigations involving SRAM and FLASH memory chips.