

Fish & Richardson P.C.
500 Arguello St
Suite 500
Redwood City, CA 94063
650 839 5070 main
650 839 2091 fax

Via Electronic Mail

March 7, 2016

Kevin Barnes
1201 Orange Street, Suite 600
Wilmington, DE 19801

Michael R. Headley
Principal
headley@fr.com
650 839 5139 direct

Re: *Power Integrations' Intellectual Property*

Mr. Barnes,

I am writing to follow up on your telephone call and the terms of your proposed “settlement” – a demand that Power Integrations agree to one of the following proposals, in which case you will forego the IPR you have threatened with respect to Power Integrations’ ’079 patent:

- Pay you \$600,000 up front + 10% gross of any damages PI collects for infringement of the ’079 patent going forward; or
- Pay you \$1,800,000 up front + 3% gross of any damages PI collects.

The validity of Power Integrations’ ’079 patent has repeatedly been confirmed by the PTO and in litigation, and Power Integrations is confident in the validity of its patent. Thus, your demand for payment to avoid the “threat” of an IPR is baseless and an improper attempt to game the patent system. Power Integrations will not cooperate with your scheme, and rejects your demands.

Sincerely,



Michael R. Headley