

April 22, 2005

NVEC's CY scam evaporates.

Yesterday Cypress Semiconductor Corporation (NYSE: CY, \$13.25) announced that its MRAM "has fundamental write and reliability problems that are solvable only at the cost of an uneconomically large cell size." On April 19, 2005 NVE Corporation (NASDAQ: NVEC, \$14.79) disclosed that Jeffrey K. Kaszubinski, the leader of Cypress' MRAM effort, resigned from NVE's Board of Directors. Mr. Kaszubinski's resignation came after Cypress' decision to end its MRAM development program.

Cypress had several incentives to claim that NVE's MRAM patents were valuable. In 2002 Cypress made an equity investment in NVE at the equivalent of \$4.85 per share. This allowed NVE to claim that Cypress was using its alleged "watershed" patent. Cypress in fact was not using the 30-year-old idea NVE claims it holds a patent on.

NVE has played no role whatsoever in MRAM's development ([Appendix B: NVE's MRAM contribution claims are unfounded.](http://www.asensio.com/Reports/ReportView.aspx?ReportId=531&CompanyId=140&CompanyName=NVE+Corporation "Appendix B: NVE's MRAM contribution claims are unfounded.")). Its so-called watershed MRAM patent has been shown to be little more than an old off-patent invention by International Business Machines Corporation (NYSE: IBM, \$74.03) and in use since the 1960s. ([NVEC's MRAM patents are immaterial and unenforceable.](http://www.asensio.com/Reports/ReportView.aspx?ReportId=569&CompanyId=140&CompanyName=NVE+Corporation "NVEC's MRAM patents are immaterial and unenforceable.")) NVE was a defunct work-for-hire research shop before it was merged with the empty shell of another defunct but public company. The NVE section at asensio.com contains information that investors can use to make their own determinations about NVE ([NVE Corporation](http://www.asensio.com/Reports/CompleteRecordCompany.aspx?CompanyId=140&CompanyName=NVE%20Corporation "NVE Corporation")).

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