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Tessera, UTAC Ink New Licensing Deal

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SAN FRANCISCO - United Test and Assembly Center Ltd (UTAC) will pay Tessera Technologies Inc. \$15 million to cover past royalties as a condition of a deal announced Monday (March 1) that extends the technology licensing agreement between the two companies through 2016.

Tessera (San Jose, Calif.) did not provide specific financial details on the agreement. After the agreement expires, UTAC will have the option to renew the license for an additional five-year term Tessera said.

Tessera sued UTAC in September 2008, alleging it discovered through an audit that UTAC had not paid royalties on all products covered under the existing agreement between the two companies. Tessera said the updated agreement between the two companies settle all outstanding litigation between the companies.

Under the terms of the agreement, Tessera will receive the \$15 million under three separate payments, the first of which is to come by the end of this month. Because of the expected payment, Tessera raised its sales target for the quarter to between \$63 million and \$64 million, up from a previous range of \$58 million to \$61 million.

<http://www.eetimes.com/news/latest/showArticle.jhtml?articleID=223100977>