UNITED STATES DISTRICT COURT

NORTHERN DISTRICT OF CALIFORNIA

OAKLAND DIVISION

ATMEL CORPORATION, a Delaware corporation; ATMEL SWITZERLAND, a corporation; ATMEL FRANCE, a corporation; and ATMEL SARL, a corporation,

Plaintiffs,

v.

AUTHENTEC, INC., a Delaware corporation,

Defendant.

AUTHENTEC, INC., a Delaware Corporation,

Plaintiff,

v.

ATMEL CORPORATION, a Delaware corporation; ATMEL SWITZERLAND, a corporation; ATMEL FRANCE, a corporation; and ATMEL SARL, a corporation,

Defendants

Case Nos. C 06-02138 CW (EDL) and 4:07-cv-03331-CW

STIPULATION AND [PROPOSED] ORDER OF CONDITIONAL DISMISSAL

WHEREAS, the following related actions are presenting pending before this Court: Atmel Corp. *et al.* v. AuthenTec, Inc., Case No. C 06-02138 CW (EDL), and AuthenTec, Inc. v. Atmel Corp. *et al.*, Case No. 4:07-cv-03331-CW (related case).

WHEREAS, the parties have reached a settlement in principle of the Actions and all claims, counterclaims, and outstanding issues therein, and are currently in the process of reducing the agreement to writing;

WHEREAS, for the sake of judicial economy and efficiency, the parties desire to conserve judicial resources and minimize any burden to the Court;

Therefore, the parties hereby stipulate and respectfully request an order conditionally dismissing the case as follows:

1. The parties to this action having represented to the Court that they have reached a settlement in principle of all outstanding issues in the Actions, and Magistrate Judge Elizabeth Laporte having been advised of the parties' present Stipulation, the Actions are conditionally dismissed.

2. However, that if any party hereto certifies to this Court, with proof of service of a copy thereon on opposing counsel, within thirty-five (35) days of the date of this Order, that finalization of the settlement has not in fact occurred, the foregoing order shall be vacated and this cause shall forthwith be restored to the calendar for further proceedings.

3. Upon execution of an agreement fully resolving the Actions, the parties will file a Stipulated Dismissal with prejudice, at which time, the Clerk shall be directed to close the files in the Actions.

STIPULATED AND AGREED.

DATED: July 14, 2008

By: *s/ Edward G. Poplawski*

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DATED: July 14, 2008

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IT IS SO ORDERED.

DATED: _____ _____
United States District Judge