

Taffe Norman P
Form 4
March 16, 2009

FORM 4

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

OMB APPROVAL

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
Taffe Norman P

2. Issuer Name and Ticker or Trading Symbol
CYPRESS SEMICONDUCTOR CORP /DE/ [CY]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
198 CHAMPION COURT
(Street)

3. Date of Earliest Transaction (Month/Day/Year)
03/12/2009

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
Executive Vice President

SAN JOSE, CA 95134
(City) (State) (Zip)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
				Code V Amount (A) or (D) Price			
Common Stock	03/12/2009		S	2,500 D \$ 5.93	64,202	D	
Common Stock	03/12/2009		S	2,500 D \$ 5.88	61,702	D	
Common Stock	03/12/2009		S	5,000 D \$ 5.87	56,702	D	
Common Stock	03/12/2009		S	5,000 D \$ 5.92	51,702	D	
Common Stock	03/12/2009		S	5,000 D \$ 5.9	46,702	D	

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Common Stock	03/12/2009	S	3,389	D	\$ 5.91	43,313	D
Common Stock	03/12/2009	S	2,500	D	\$ 5.89	40,813	D
Common Stock	03/12/2009	M	<u>186,232</u> (1)	A	\$ 0	227,045	D
Common Stock	03/12/2009	F	<u>69,836</u> (2)	D	\$ 5.94	157,209	D

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)				
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Restricted Stock Units	\$ 0	03/12/2009		M		<u>56,653</u> (3)		<u>(3)</u>	05/11/2015	Common Stock	56,653

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Taffe Norman P 198 CHAMPION COURT SAN JOSE, CA 95134			Executive Vice President	

Signatures

Norman Taffe 03/16/2009

**Signature of Reporting Person

Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) Each unit represented a contingent right to receive a share of Cypress Semiconductor Corp. Common Stock. Represents settlement of 2008 performance grant previously reported on Form 4 dated 5/11/2007.

- (2) The amount reported in this Form 4 represents shares withheld to comply with tax withholding requirements due to the settlement of performance grant milestones under the performance grant previously reported on Form 4 dated 5/11/2007.

As reported in Form 4 dated 5/11/2007, Mr. Taffe was granted 1,416,325 Performance RSUs that could result in 0 to 283,265 Performance RSUs being earned annually by Mr. Taffe based on the company's achievement of performance milestones set by the Company's Compensation Committee. The amount reported on this Form 4 reflects the maximum amount that Mr. Taffe is eligible to earn for 2009 on the achievement of a performance milestone related to the Company's Common Stock appreciation as compared to the SOXX Index. Mr. Taffe is eligible to earn the remaining Performance RSUs upon the achievement of other performance milestones set by the Company's Compensation Committee. If performance milestones set for a given period are not achieved, the targeted shares associated with that milestone are forfeited and are not able to be earned in a future period.

- (3) for 2009 on the achievement of a performance milestone related to the Company's Common Stock appreciation as compared to the SOXX Index. Mr. Taffe is eligible to earn the remaining Performance RSUs upon the achievement of other performance milestones set by the Company's Compensation Committee. If performance milestones set for a given period are not achieved, the targeted shares associated with that milestone are forfeited and are not able to be earned in a future period.
- (4) Under the terms of the resolution of the Board of Directors, all options, RSUs and RSAs outstanding on September 29, 2008 were adjusted due to the spinoff of SunPower by a conversion ratio of 4.12022 per share.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.