

Jury rules against Rambus, Inc. in billion-dollar antitrust lawsuit

18. November 2011 By Sarah Riley Howard

On Wednesday, a California jury ruled against Rambus, Inc. who had filed a lawsuit against competitors, Micron Technology Inc. and Hynix Semiconductor Inc. alleging that these two companies conspired to fix prices of memory chips in order to make products designed by Rambus more expensive. After a three month long trial and eight weeks of deliberations, the jury, in a 9-3 vote, concluded that Micron and Hynix did not violate antitrust laws and denied Rambus the four billion dollars in damages it had sought.

Rambus, Inc. designs technology used in memory chips. The company makes most of its money by licensing its technologies to other companies for use in their products. The instant lawsuit was filed by Rambus after the Department of Justice (“DOJ”) disclosed its findings of an investigation into price-fixing in the memory chip market. As a result of the DOJ investigation, Hynix plead guilty to conspiracy to fix prices in the dynamic random access memory (“DRAM”) market and paid a \$185 million fine. Micron received amnesty in exchange for aiding the investigation. Additionally, Samsung, which also manufactures DRAM memory chips plead guilty and paid a \$300 million fine. At the time, in October 2005, this \$300 million fine was the second largest criminal antitrust fine in United States history. The DOJ press release announcing the resolution of the criminal case is [here](#).

Samsung was originally named as a defendant in the Rambus civil lawsuit, but according to news reports, it settled with Rambus in January 2010 and agreed to pay Rambus \$900 million over a five-year period.

In this case, however, the jury determined that Micron and Hynix did not conspire among themselves or with other technology companies to fix prices and keep Rambus out of the market. The jury also concluded that neither company conspired to harm Rambus’ relationship with Intel Corp., the world’s largest maker of computer chips.

On news of the verdict, Rambus’ stock fell \$10.93 to close at \$7.11. In contrast, Micron’s stock jumped \$1.28 to close at \$6.74. Rambus is considering whether it will appeal the jury verdict. The Huffington Post article discussing the jury verdict is [here](#) and the Wall Street Journal article is [here](#).