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Tessera Tech: Where Small is Big Business

Jim Cramer and Tom Brennan

Regular viewers of Mad Money have to give Cramer his due. He's recommended a host of high-quality stocks that have performed well despite the market's volatility over the past year.

Most recently, those names have been pulled straight from mobile-Internet industry, Cramer's latest favorite growth trend. Many companies in this group have enjoyed a good run, as big-money investors pour into what seems like the one trade that's been working. And that run isn't over. At least as far as the Mad Money host is concerned. He predicted this would be a multiyear trend, a move on par with advent of the PC.

Well, the next potential winner is **Tessera Technologies**, a semiconductor miniaturization company that's up 37% since Cramer's May 26 call. He thinks that demand for Tessera's business – basically making chips smaller so **Apple**, **Research in Motion** and others can make smaller handsets – will push this stock "even higher," he said.

Tessera has its hands in more than just chip packaging, as it's called. The company also makes cell-phone cameras – a must these days, no? – DRAM memory and wireless chips. And Tessera has moved into "silent air cooling," with its ionic cooling system. This will replace traditional exhaust fans in laptops and other small devices, allowing for a thinner product.

Cramer was excited about a "very positive" analyst day for the company three weeks ago, where Tessera boosted its third-quarter revenue guidance and announced the potential for a big licensing agreement by year's end. The company recently made similar deals with Samsung and Toshiba, which use Tessera products, so a new one could catalyze the stock.

There is a problem, though: The International Trade Commission struck down Tessera's patent-infringement case. The company plans to review the ruling but will collect no royalties related to the case in the meantime. Another patent case initially went against Tessera, but was overturned during the review, but there are no guarantees.

How much does this latest ruling hurt the profit line? Will Tessera continue to outperform regardless? Those were just some of the questions that Cramer wanted answered. So he invited Tessera Tech CEO Hank Nothhaft onto the show. [Watch the video for the full interview.](#)



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