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## ITC to Review DRAM Patent Infringement Case – Tessera

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Chip technology developer Tessera Technologies Inc (TSRA.O) said a regulatory trade body will review whether certain DRAM chip manufacturers and sellers infringed on the company's patents.

In an initial determination in August, the International Trade Commission's (ITC) administrative law judge found Tessera's asserted patents valid, but not infringed on by the respondents.

DRAM, or dynamic random access memory, chips are mostly used in personal computers.

Pacific Crest Securities analyst Kevin Vassily said the news was not a big surprise.

He said ITC had already issued a ruling in favor of Tessera in a similar dispute it had filed with ITC against Qualcomm (QCOM.O), Motorola (MOT.N) and others.

In May, ITC had said Qualcomm and Motorola had infringed on Tessera's patents on methods to package semiconductor chips so they are protected inside portable devices.

Vassily said he expects a ruling in favor of Tessera in the latest case, too.

The verdict is expected on Dec. 29.

"Seems like the judge's reasoning for his initial determination was also similar to that of the wireless case (the earlier dispute). So, the fact that commission chose to review his decision is consistent with their decision in that earlier case," Vassily added.

Of the three patents involved in the DRAM case, two are similar to the wireless case, he said.

The legal battle started in December 2007, when Tessera sued companies, such as Acer Inc (2353.TW), Centon Electronics Inc, Elpida Memory Inc (6665.T),

Kingston Technology Co, Nanya Technology Corporation (2408.TW) and Powerchip Semiconductor Corp (5346.TWO), alleging patent infringement.

The analyst said the DRAM case could ultimately be a ground for some of the large companies like Elpida to engage with Tessera and eventually take a license from them.

In case Tessera wins, companies like Elpida will be prohibited from importing their products into the U.S. and, as a result, will have to negotiate with Tessera. Tessera, which draws about 95 percent of its revenue from royalty and license fees, receives royalties from a host of companies including Intel Corp (INTC.O), Sony Corp (6758.T) and Siemens AG (SIEGn.DE).

San Jose, California-based Tessera's stock, which has gained 86 percent since the start of the year, was trading down 2 percent at \$21.58 in midday trade Monday on Nasdaq.

<http://www.reuters.com/article/asiaRegulatoryNews/idUSBNG46279220091102?pageNumber=2&virtualBrandChannel=11604>