



Portfolio Media, Inc. | 860 Broadway, 6th Floor | New York, NY 10003 | www.law360.com
Phone: +1 646 783 7100 | Fax: +1 646 783 7161 | customerservice@law360.com

Hitachi, Renesas Settle Price-Fixing Suit Over Patent Deals

By **Scott Flaherty**

Law360, New York (June 05, 2012, 1:27 PM ET) -- Hitachi Ltd. and chipmaker Renesas Electronics Corp. on Monday settled claims from a putative class of consumers who alleged in California federal court that the companies had participated in a scheme to fix prices on flash memory through patent licensing pacts.

Hitachi and Renesas, which is partly owned by Hitachi, signed a deal that puts an end to the suit of a group of indirect purchasers who lodged a consolidated complaint against the companies and several other electronics makers, alleging they colluded with computer memory giant SanDisk Corp. to fix prices on flash memory. The terms were not disclosed.

The suit said SanDisk attempted to corner the market for NAND flash memory — technology commonly incorporated in memory cards for digital cameras and USB flash drives and in internal memory for iPods and other electronics — through patent cross-licensing agreements with Hitachi, Renesas, Hynix Semiconductor Inc. and units of Samsung Electronics Co. Ltd. and Toshiba Corp. The other electronics companies named as defendants do not appear to have reached settlement agreements, according to the docket.

The indirect purchaser group said that prices on NAND flash memory had been dropping before the alleged conspiracy began in 1999, at which point they started to rise.

"As a result of defendants' cartel-like activity, prices for NAND flash memory have been maintained at supracompetitive levels from 1999 until the present," an amended complaint, filed in May 2009, said.

In 2010, U.S. District Judge Sandra Brown Armstrong denied a bid from the indirect purchasers to certify the class. After the purchaser group filed an unsuccessful motion for reconsideration, which was later denied on appeal to the Ninth Circuit, the district court case was reopened in December. The judge referred the case to a magistrate judge in March for settlement discussions, according to the docket.

With Monday's deal, announced in a stipulation and proposed order, the indirect purchasers agreed to drop all claims against Hitachi and Renesas. The settlement, the terms of which were confidential, would need final approval from Judge Armstrong before taking hold.

Representatives for Hitachi and Renesas were not immediately available for comment Tuesday and the companies' counsel declined to comment, citing the confidential terms of the deal. An attorney for the indirect purchasers was not immediately available for comment.

The settlement follows a May 2 deal reached with SanDisk Corp. through which the group of nearly 30 indirect purchasers agreed to dismiss all claims against the memory card company. The details of that settlement were also confidential, and it was officially approved by Judge

Armstrong on May 10.

The indirect purchasers are represented by Steven N. Williams of Cotchett Pitre & McCarthy LLP and Christopher T. Micheletti of Zelle Hofmann Voelbel & Mason LLP, among others.

Hitachi and Renesas are represented by Craig Seebald of Vinson & Elkins LLP, among others.

The case is In re: Flash Memory Antitrust Litigation, case number 4:07-cv-00086, in the U.S. District Court for the Northern District of California.

--Editing by Cara Salvatore.

All Content © 2003-2012, Portfolio Media, Inc.