

## Enforcement Actions in Industry/Sector: Information and Technology – Hardware (FY1996-FY2012)

Matter:	Enforcement	Date:	Matter and Action Type:
1. 1110122 - Western Digital / Hitachi	3 /5 /2012	Merger - Consent Order Accepted for Comment	<a href="http://www.ftc.gov/os/caselist/1110122/index.shtm">http://www.ftc.gov/os/caselist/1110122/index.shtm</a>
<p>The FTC will require Western Digital Corporation to sell assets used to manufacture and sell desktop hard disk drives to Toshiba Corporation as part of a proposed settlement that resolves charges that Western Digital's proposed acquisition of rival Hitachi Global Storage Technologies Ltd. would likely have harmed competition in the market for desktop hard disk drives used in personal computers. The proposed FTC order settles charges that the deal as originally proposed would have left only two companies, Western Digital and Seagate Technology LLC, in control of the entire worldwide market for desktop hard disk drives.</p>			
2. 0610247 - Intel Corporation	12/16/2009	Nonmerger - Part III Administrative Complaint	<a href="http://www.ftc.gov/os/adipro/d9341/index.shtm">http://www.ftc.gov/os/adipro/d9341/index.shtm</a>
<p>In December of 2009, the Commission sued Intel Corp., the world's leading computer chip maker, charging that the company had illegally used its dominant market position for a decade to stifle competition and strengthen its monopoly. In its complaint, the FTC alleges that Intel has waged a systematic campaign to shut out rivals' competing microchips by cutting off their access to the marketplace. In the process, Intel deprived consumers of choice and innovation in the microchips that comprise the computers' central processing unit, or CPU. These chips are critical components that often are referred to as the "brains" of a computer. According to the FTC complaint, Intel's anticompetitive tactics were designed to put the brakes on superior competitive products that threatened its monopoly in the CPU microchip market. In August of 2010, Intel agreed to a settlement agreeing to provisions that will open the door to renewed competition and prevent Intel from suppressing competition in the future.</p>			
3. 0110017 - Rambus, Inc.	6 /18/2002	Nonmerger - Part III Administrative Complaint	<a href="http://www.ftc.gov/os/caselist/d9302.shtm">http://www.ftc.gov/os/caselist/d9302.shtm</a>
<p>The Commission filed a complaint with an administrative law judge charging that between 1991 and 1996 Rambus, Inc. joined and participated in the JEDEC Solid State Technology Association (JEDEC), the leading standard-setting industry for computer memory. According to the complaint, JEDEC rules require members to disclose the existence of all patents and patent applications that relate to JEDEC's standard-setting work. While a member of JEDEC, Rambus observed standard-setting work involving technologies which Rambus believed were or could be covered by its patent applications, but failed to disclose this to JEDEC. In 1999 and 2000, after JEDEC had adopted industry-wide standards incorporating the technologies at issue and the industry had become locked in to the use of those technologies, Rambus sought to enforce its patents against companies producing JEDEC-compliant memory, and in fact has collected substantial royalties from several producers of DRAM (dynamic random access memory). (February 17, 2004) The administrative law judge dismissed all charges against Rambus, ruling that Commission staff had failed to sustain their burden of proof with respect to all three violations alleged in the complaint. The Initial Decision found that Rambus' conduct before the JEDEC standard-setting organization did not amount to deception and did not violate any extrinsic duties, such as a duty of good faith to disclose patents or patent applications. The Initial Decision also found that there was insufficient evidence that there were viable alternatives to Rambus' technology before the standard setting organization. (August 2, 2006) The FTC issued an opinion by Commissioner Pamela Jones Harbour concluding that Rambus unlawfully monopolized markets for four computer memory technologies that have been incorporated into industry standards DRAM chips. Drams are widely used in personal computers, servers, printers, and cameras. The Commission found that, through a course of deceptive conduct, Rambus was able to distort a critical standard-setting process and engage in an anticompetitive "hold up" of the computer memory industry. The Commission held that Rambus's acts of deception constituted exclusionary conduct under 21 Section 2 of the Sherman Act and contributed significantly to Rambus's acquisition of monopoly power in the four relevant markets. (February 5, 2007) Chairman Majoras issued the opinion of the Commission on remedy in the Rambus matter. In this opinion, the Commission prescribed a set of remedies barring Rambus from making misrepresentations or omissions to standard-setting organizations, requiring Rambus to license its SDRAM and DDR SDRAM technology and setting limits to the royalty rates it can collect under the licensing agreements including with those firms that may have already incorporated its DRAM technology, and requiring Rambus to employ a Commission-approved compliance officer to ensure it discloses relevant patent information to any standard-setting organizations in which it participates. (April 4, 2007) Rambus appealed the Commission's order to the U.S. Court of Appeals for the District of Columbia Circuit, which heard oral arguments in February 2008. In April of 2008, the Court issued an opinion that set aside the Commissions final orders and remanded for further proceedings consistent with the Court's opinion. On February 23, 2009, the Supreme Court denied the Commission's Petition for Writ of Certiorari. On May 14, 2009 the Commission formally dismissed the complaint in the Rambus matter.</p>			
4. 9510028 - Intel Corp	6 /8 /1998	Nonmerger - Part III Administrative Complaint	<a href="http://www.ftc.gov/os/caselist/d9288.shtm">http://www.ftc.gov/os/caselist/d9288.shtm</a>
<p>An administrative complaint charged that Intel Corporation used its monopoly power to deny three companies continuing access to technical information necessary to develop computer systems based on Intel microprocessors. A consent order (August 3, 1999) prohibits Intel, among other things, from withholding certain advance technical information from a customer as a means of intellectual property licenses. The order protects Intel's rights to withhold its information or microprocessors for legitimate business reasons.</p>			

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5. 9810040 - Intel / DEC

4 /23/1998

Merger - Consent Order Accepted for Comment

<http://www.ftc.gov/os/caselist/c3818.shtm>

Final order settles allegations that Intel's acquisition of Digital Equipment Corporation's assets could endanger the continuing and future development of the Alpha microprocessor, a direct competitor of Intel's Pentium line of computer system components. The order requires Digital to license the Alpha technology to Advanced Micro Devices and to Samsung Electronics Co., Ltd. or to other Commission-approved companies to manufacture Digital's microprocessor devices.

6. 9310097 - Dell Computer Inc

10/26/1995

Nonmerger - Consent Order Accepted for Comment

<http://www.ftc.gov/opa/1996/06/dell2.shtm>

Final consent order resolves charges of unlawful practices in standard-setting. The order prohibits Dell from enforcing its patent rights against computer manufacturers that adopt VL-bus technology design standard in the central processing unit of computers that use 486 chips. The consent order is the first time a federal antitrust agency has taken an enforcement action against an entity that attempted to restrain competition through abuse of a voluntary standard-setting process.