Rambus loses a European memory-chip patent

By Roger Chd, Dow Jones Newswires

NEW YORK — The European Patent Office revoked Rambus' patent on a computer memory chip Thursday.

The news sent shares of the Los Altos, Calif., chip-design company skidding $5.26, or 18%, to close at $24.35 on the Nasdaq Stock Market.

"The patent is revoked in its entirety," said patent office spokesman Rainer Osterwalder. The patent had been effective in Germany, France, Italy and Britain.

Several European semiconductor companies had filed challenges to the patent, questioning the ability to patent the invention and whether it was sufficiently described in the application.

The loss of the European patent doesn't affect Rambus' business, according to the company's senior vice president and general counsel, John Danforth. He added that it only covers a single aspect of the semiconductor technology.

A Federal Trade Commission administrative law judge is expected to rule on a similar case next Tuesday. The FTC has charged that Rambus concealed that it had patents on part of the technology when it participating in setting an industry standard for memory chips.

An unfavorable ruling by the FTC could open the company to fines for past royalty claims prevent it from collecting royalties in the future, according to a research note by Susquehanna Financial Group analyst Max Breier.

The EPO decision won't have an impact on the FTC ruling, Danforth said.

Rambus has been embroiled in a series of disputes over its patents.
The opponents include Micron Technology of Boise, Infineon Technologies of Germany, Hynix Semiconductor of South Korea, and Britain's Micron Semiconductor. The companies first protested in 2000, but lost their case in November 2002. They lodged several appeals between December 2002 and February 2003.

Rambus is still set for two patent infringement trials later this year. In May, a retrial of Rambus against Infineon Technologies will be held, and a trial against Hynix will occur in November.

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