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AMD Wants Record Set Straight In SGI Suit

By **Ben James**

Law360, New York (February 20, 2008) -- A federal judge in charge of Silicon Graphics Inc.'s patent suit against Advanced Micro Devices Inc. over graphics processors has handed down an order meant to resolve the case's remaining loose ends, but AMD has asked for clarification to ensure the record is accurate in case SGI lodges an appeal.

Despite the defendants' request to have the language in the order changed, an AMD spokesman said on Wednesday that the outcome of the case constituted "a huge win" for AMD and that the company was pleased.

SGI had much of its infringement case against AMD thrown out at the end of January. The company subsequently withdrew its remaining infringement claims.

The defendants, however, went to trial with their invalidity charges on Claims 17, 18, 22 and 23 of U.S. Patent Number 6,650,327. The jury ruled in SGI's favor.

AMD filed its request on Tuesday for clarification of the Feb. 15 order by Judge Barbara Crabb of the U.S. District Court for the Western District of Wisconsin.

The company said that though the bulk of the patent claims asserted in the case were removed from the case before trial, the order indicates that there was an "adjudication on the merits and/or abandonment" on several of the defendants counterclaims.

AMD argued that judgment should be entered in favor of SGI on the invalidity counterclaims connected to Claims 17, 18, 22 and 23 of the '327 patent.

But its other invalidity counterclaims, which concern the '327 patent as well as U.S. Patent Numbers 6,292,200 and 6,885,376, were rendered moot by court rulings, and the record should reflect that those counterclaims were dismissed without prejudice.

In her Feb. 15 order, Judge Crabb wrote that “two loose ends” remained in the case: the defendants' counterclaim for inequitable conduct in the plaintiff's prosecution of the '327 patent; and the defendants' motion for reconsideration of a magistrate judge's denial of a motion for discovery sanctions.

The inequitable conduct counterclaim was dismissed without a trial at a hearing on Feb. 11, and Judge Crabb rejected the reconsideration bid, the order said.

“Because defendants did not pursue their invalidity and unenforceability counterclaims with respect to any patents other than the '327 patent, those counterclaims (III and IV) are deemed abandoned,” Judge Crabb's order said.

The order goes on to direct the clerk of the court to enter judgment in the defendants' favor on SGI's infringement claims and in favor of the SGI on the plaintiff's invalidity and inequitable conduct counterclaims as they relate to the three patents in suit.

When Sunnyvale, Ca.-based SGI filed suit against ATI Technologies Inc. in October 2006, alleging that ATI's Radeon graphics processors infringed the '327 patent, it asked for an injunction as well as damages.

AMD acquired ATI Technologies Inc. and reincorporated it as ATI Technologies ULC, according to court papers.

An SGI representative could not be immediately reached for comment on Wednesday.

SGI is represented in this matter by Morgan, Lewis & Bockius LLP and Michael Best & Friedrich LLP.

The defendants are represented by Robins, Kaplan, Miller & Ciresi LLP and DeWitt Ross & Stevens SC.

The case is Silicon Graphics Inc. v. Advanced Micro Devices Inc. et al., case number 06-611 in the U.S. District Court for the Western District of Wisconsin.