

Toshiba, NEC, Fujitsu-Siemens Hit With Patent Suits

Thursday, June 29, 2006 --- A Huntsville, Ala.-based technology company that has squeezed hundreds of millions of dollars out of rivals through patent litigation is at it again, filing infringement suits against Toshiba Corp., NEC Corp. and Fujitsu-Siemens Computers.

Intergraph Corp. targeted Toshiba and NEC—along with several subsidiaries—in a lawsuit filed Wednesday in a federal court in Northern California. The suit alleges that computer products made by the defendants infringe on Intergraph's Clipper System patents.

The lawsuit against Fujitsu-Siemens, filed in Hamburg, Germany, alleges infringement of Intergraph's European Clipper System patent.

"We continue to take the necessary actions to defend and enforce our intellectual property as we have in the past," said Halsey Wise, Intergraph CEO and president. "We believe that such licensing and litigation actions are in the best interests of our shareholders."

A spokesperson for Intergraph declined to discuss the new filings.

Over the past few years, patent litigation has been a cash cow for Intergraph, which has been on the receiving end of several multi-million dollar settlement agreements.

Intergraph has said that its lawsuits and other patent-protection efforts have generated \$860 million in pre-tax income since 2002.

Since the mid-1990s, Intergraph has sued to protect its patent portfolio and reached settlements with Advanced Micro Devices, Dell, Gateway, IBM and Intel for allegedly infringing on patents for its Clipper chip and a parallel instruction computing design known as PIC.

In January 2005, Hewlett-Packard agreed to pay \$141 million to settle patent disputes with software maker Intergraph that centered on Intergraph's Clipper chip.

Intergraph filed that suit in 2002, alleging that Hewlett-Packard, Dell and Gateway infringed patents related to systems using Intel chips.

In March 2004, Intel agreed to pay Intergraph \$225 million. Intel had the added liability of covering for Dell. Under the chip giant's indemnification agreement with Dell, it had to shield the manufacturer from any liability related to using its chips.

In April 2004, AMD paid Intergraph \$25 million to settle a patent dispute and receive a license to the Clipper patents. In May of that same year, Gateway agreed to shell out at least \$10 million to end a suit over the same technology.

In September 2003, Texas Instruments agreed to pay Intergraph \$18 million.

Patents related to Intergraph's Clipper microprocessor deal with a microprocessor's cache memory management, speeding up the performance of the microprocessor and the system by keeping RAM memory and cache memory in synch.

Intergraph employs about 3,500 people in 60 countries worldwide. About 2,000 of Intergraph's employees are in the United States. Intergraph has been a publicly traded company since 1981.

Intergraph is represented by the law firms Robins, Kaplan, Miller & Ciresi LLP and Reed Smith LLP.

The case is Intergraph Hardware Technologies Company v. Toshiba Corporation et al., case number 06-04018, in the U.S. District Court for the Northern District of California.

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