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Oregon will sue PC-memory companies

State to join others in accusing firms of price-fixing

Staff, news services

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Oregon Attorney General Hardy Myers today will join a multistate lawsuit that accuses the world's largest manufacturers of dynamic random access memory chips of price-fixing.

New York's attorney general got the ball rolling Thursday, suing chip-makers and claiming that they made secret price-fixing arrangements that inflated the cost of personal computers and other electronic devices.

More than 30 other states, including Oregon, are expected to file a separate lawsuit today in San Francisco federal court, California Attorney General Bill Lockyer said.

DRAM is a widely used form of computer memory that is found in personal computers, servers and other electronic devices.

"As a result of a price-fixing conspiracy by companies that make memory chips that are a crucial component of many high-tech products, Oregon consumers and state agencies have paid more for computers," Myers said. "With this lawsuit, we hope to stop the manufacturers from manipulating prices in the future and to recoup some of the public's losses."

The Oregon Department of Justice and more than 30 other attorneys general seek damages, restitution, civil penalties and injunctive relief for consumers and public entities that paid higher prices for electronics from 1998 to 2002 as a result of alleged price-fixing.

The lawsuits follow a long-running U.S. Justice Department investigation that has resulted in more than \$730 million in fines and guilty pleas from four companies: Samsung Electronics, Elpida Memory, Infineon Technologies and Hynix Semiconductor.

Boise, Idaho-based Micron was granted immunity from criminal charges in the federal case in exchange for its cooperation.

"I have never seen a price-fixing case where there is so widespread, so continuous an exchange of confidential price information among competitors or over so long a time period," said Assistant New York Attorney General Richard Schwartz.

The New York suit, filed in Manhattan federal court, claims that the companies colluded to fix prices for DRAM chips. The defendants are Micron, Samsung, Infineon, Elpida, Hynix, Mosel-Vitec, Nanya Technology and NEC Electronics America.

The lawsuit to be filed today in San Francisco names Hynix, Infineon, NEC Electronics America, Micron, Mosel-Vitec and Nanya.

Samsung is not being sued in the case because the company has indicated a willingness to settle the allegations, Lockyer spokesman Tom Dresslar said.

Similar agreements have been made with Winbond Electronics, Toshiba, Hitachi and Mitsubishi Electric, Dresslar said.

Computer makers such as Dell, Hewlett-Packard, Apple Computer, Gateway and International Business Machines had to raise PC prices or reduce the amount of memory installed on their systems to compensate for the higher costs, prosecutors said.

The latest lawsuits will ask the companies to compensate consumers who paid higher prices and demand that the companies not collude in the future.

Worldwide sales of dynamic random access memory chips totaled more than \$24 billion in 2005, according to separate reports from the research companies iSuppli and Semico Research.