

AMD Files New Evidence In Intel Antitrust Case

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Monday, April 30, 2007 --- Internal memos and e-mails reveal Intel Corp. considered penalizing a Japanese computer maker for failing to achieve prearranged benchmarks for the use of the company's chips at the expense of a rival, according to a published report.

The microprocessor giant used its dominance in the \$38 billion market to kill off competitor Advanced Micro Devices, and discussed rebates, preferential prices and payments with the country's top PC manufacturers for using Intel chips 90% to 100% of the time, a Dow Jones report claimed Monday.

The report cites new claims appended in March to a lawsuit filed in a Tokyo court by AMD that were allegedly based on evidence uncovered during an investigation of Intel by Japan's Fair Trade Commission two years ago.

AMD spokesman Michael Silverman said Monday the company's suits had been amended in light of the findings unearthed by the FTC's year-long probe.

"This is continuing evidence that the more light that's shone on Intel's business practices demonstrates that they are illegally abusing their monopoly power to maintain their monopoly position," said Silverman. "Aggressive competition is one thing, but illegal abuse of monopoly power is quite another."

Following a ruling by the Japanese commission in March 2005 that Intel had engaged in anti-competitive conduct, a ruling the computer chip maker did not dispute, AMD launched two suits against Intel's Japanese subsidiary, in Tokyo's High Court and District Court.

The FTC found that Intel had interfered with AMD's Japanese business by providing kickbacks to five of the country's top computer makers, NEC, Fujitsu, Toshiba, Sony and Hitachi, in exchange for agreements not to buy its rival's product.

AMD initially sought \$50 million in damages for the alleged violations of Japan's Antimonopoly Act, but in view of the new evidence, is asking for more, Silverman said.

The company alleges Intel's conduct caused its market share to halve in two years.

The company claimed in its original suit that Intel had paid one Japanese PC maker to remove from its product catalog and website any computer models containing AMD processors, and pressured another customer not to attend an AMD product launch.

AMD, which has also filed lawsuits in the U.S., the European Union and South Korea, said at the time the alleged acts were just “the tip of the iceberg of Intel’s worldwide coercion of customers”.

Intel currently controls about 80% of the international market for microprocessors, reporting more than \$35 billion in sales last year. AMD’s 2006 revenue was \$5.6 billion.

A spokesman for Intel could not be reached for comment Monday, but the company has reportedly denied any wrongdoing and will respond to AMD’s new claims in a court filing expected in May.

A hearing is scheduled in the Tokyo District Court for May 28.