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# Jury Finds Marvell Owes \$1.17 Billion in Patent Case

By [DON CLARK](#)

A federal jury in Pittsburgh found Wednesday that chip-maker [Marvell Technology Group Ltd.](#) should pay nearly \$1.17 billion for infringing patents held by Carnegie Mellon University.

The award ranks as the third largest ever in a patent case, according to Lex Machina Inc., a firm that provides data and analytic services used in intellectual-property litigation.

The verdict comes amid a surge in patent litigation around the world, much of it conducted by rivals in the smartphone industry or by companies that buy up and enforce patents.

Marvell, by contrast, was accused by a university of infringing patents related to disk drives used in personal computers, server systems and other products. The damages set by the jury would top the award of about \$1 billion issued in August against [Samsung Electronics Co.](#) in a closely watched case against [Apple Inc.](#)

In response, Marvell's shares plunged 10% to \$7.40 at 4 p.m. on the [Nasdaq Stock Market](#). The company ended Wednesday with a market value of nearly \$4 billion. Marvell, which is known for chips used in data-storage applications, had \$2 billion in cash and investments as of Oct. 27.

A spokesman for Marvell said the Santa Clara, Calif., company was disappointed by the verdict but hopeful the judge would reverse the finding based on post-trial motions. If unsuccessful in that effort, Marvell will appeal, he said.

K&L Gates LLP, a law firm representing Carnegie Mellon, said the jury agreed with its allegations that Marvell sold billions of chips incorporating the patented technology without a license to do so.

The jury's finding of what amounts to willful infringement provides a legal foundation for the judge to increase the damages by as much as three times the amount awarded by the jury, the firm said.

Large jury verdicts in patent cases are often sharply reduced following appeals. On the other hand, interest typically accrues during that process.

"By any measure this is a substantial damages award, which could become even larger," said Alan Fisch, an attorney at Fisch Hoffman Sigler LLP in Washington, D.C., who isn't involved in the case. He predicted the appeal process could last 18 months before a final resolution is reached in the case.

Carnegie Mellon sued Marvell in 2009 in the federal court for the Western District of Pennsylvania, alleging the company had infringed patents covering technology associated with "noise predictive detection," which is used to increase accuracy in retrieving data from drives.

The inventions were credited to José Moura, a professor at the university, and a graduate student, Alek Kavcic, who is now a professor at the University of Hawaii.

Marvell Calif., argued in court that it didn't infringe the patents. It alleged that the patents at issue were improperly obtained by withholding information about prior inventions from the U.S. Patent and Trademark Office.

The jury disagreed, finding Wednesday that Marvell products infringed all the patent claims asserted by Carnegie Mellon in the case, according to a verdict form filed with the court.

The jury assessed damages totaling \$1.17 billion, upheld the validity of the patents, and ruled that Marvell knew or should have known that its actions would infringe the patents.

The verdict followed a four-week trial before U.S. District Judge Nora Barry Fischer. Marvell last week asked her to declare a mistrial on grounds that lawyers representing Carnegie Mellon made a series of inflammatory statements in closing arguments that "misrepresented the record and violated at least two of the court's orders in this case," according to a brief filed by the company's lawyers.

Judge Fischer denied the motion for the mistrial "without prejudice," indicating that the issues raised by the company could be reviewed later. Other potential issues for Marvell to raise following the verdict include delays by Carnegie Mellon in filing its suit after it learned of the alleged infringement.

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