

UNITED STATES OF AMERICA  
BEFORE FEDERAL TRADE COMMISSION

In the Matter of

RAMBUS INCORPORATED,

a corporation.

Docket No. 9302

**COMPLAINT COUNSEL'S REVISED REPLY FINDINGS**  
**NUMBERED 192 AND 969**

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Dated: October 10, 2003



programmable CAS latency and programmable burst length. In order to determine whether the use of alternatives to the Rambus technologies used in SDRAM is more costly than paying the Rambus royalties, one can determine the additional variable costs associated with the alternatives and compare them to the Rambus royalties that would be paid under the a license from Rambus. (Rapp, Tr. 9830-33). Costs for alternatives to different features are additive; that is, to calculate the costs associated with implementing alternatives to more than one feature simultaneously, one would simply add the costs associated with the individual alternatives. (Geilhufe, Tr. 9614).

**Response to Finding 969:** The statement in RPF 969 that “[i]n order to determine whether the use of alternatives to the Rambus technologies used in SDRAM is more costly than paying the Rambus royalties, one can determine the additional variable costs associated with the alternatives and compare them to the Rambus royalties that would be paid under the a license from Rambus” is misleading and contrary to the weight of the evidence because it implies that each member of JEDEC is faced with the same costs to comply with the standard. However, JEDEC is composed of broad array of companies and individuals. (*See, e.g.*, CCRF 4). These companies represent a broad cross-section of the semiconductor supply chain from around the world and so would experience costs differently depending on where they are in the semiconductor supply chain. (CCFF 212-213). Furthermore, the comparison of manufacturing costs and royalties is misleading because that comparison does not take into account the differences between the two types of costs. In particular, manufacturing costs are not subject to hold-up and royalties are. (McAfee, Tr. 11241-11243). Finally, there is no evidence in the record that JEDEC members conducted this type of analysis in making decisions regarding what

presenting estimates, all of the information presented in his testimony was approximate. (Geilhufe, Tr. 9665). Mr. Geilhufe agreed at trial that the margin of error for each of the cost elements described in his presentation is as high as 25 percent. (Geilhufe, Tr. 9665). Mr. Geilhufe did not compare his projections in this case to any actual results to see if the results actually were within 25 percent of actual cost. (Geilhufe, Tr. 9665-66 (“Well, since the vast majority of these never got implemented, it was not possible to test them.”)). Since many of the alternates Mr. Geilhufe evaluated never got implemented, it would be impossible for even a DRAM manufacturer to verify the costs of many of the alternatives. (Geilhufe, Tr. 9666). But to the extent that they were implemented in some fashion, one way to verify Mr. Geilhufe’s cost estimates would be to ask a DRAM manufacturer. (Geilhufe, Tr. 9666). Mr. Geilhufe never attempted to verify the numbers he came up with the DRAM manufacturers. (Geilhufe, Tr. 9666-67). Mr. Geilhufe never asked Rambus to conduct discovery from DRAM manufacturers