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# Justice Dept. subpoenas AMD, Nvidia

**Tags:** Tom Krazit, Hardware

By Tom Krazit

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**The U.S. Department of Justice's Antitrust Division has issued subpoenas to Advanced Micro Devices and Nvidia as part of an investigation into potential antitrust violations.**

AMD announced that it had received its subpoena on Thursday afternoon, and Nvidia made its corresponding announcement on Friday morning. No specific allegations have been made against either company.

Both companies have stated that they intend to cooperate with the investigation.

Gina Talamona, a spokeswoman for the DOJ, said the agency is looking into possible anticompetitive practices within the "graphics processing unit and cards" industry. She

declined to comment on specific companies involved in the investigation or what was sought in the subpoena.

This would appear, at first glance, to exclude Intel's huge integrated graphics business. Intel is actually the largest supplier of PC graphics technology by virtue of the integrated graphics chips that it ships with its chipsets. An Intel representative said the company did not receive a subpoena from the DOJ related to the investigation.

AMD, best known for its microprocessors, entered the graphics processor industry in October with its \$5.4 billion purchase of Nvidia rival ATI Technologies. Nvidia unveiled its new GeForce 8800 graphics cards for high-end PCs several weeks later.

Analysts were puzzled about the nature of the investigation. Unlike the memory industry--the subject of recent DOJ investigations into anticompetitive practices--there are only two main players in the market for add-in graphics technology. Nvidia and ATI, now part of AMD, have always been thought of as fierce competitors not inclined to work together outside of industry standards associations, said Dean McCarron, an analyst with Mercury Research.

Jon Peddie, a longtime graphics industry watcher with Jon Peddie Research, said he hasn't heard any complaints from customers of Nvidia or ATI about anticompetitive practices such as price-fixing. He noted that the graphics cards from each company that offer similar performance often cost roughly the same. This could potentially come off as price-fixing, but really reflects the nature of a two-supplier business, he said.

The DOJ successfully prosecuted the DRAM (dynamic RAM) industry in 2004 and 2005 for colluding to fix prices in the late 1990s and early 2000s. Some executives were sent to prison and companies such as Infineon and Hynix paid hefty fines. More recently, the DOJ has been looking into the SRAM (static RAM) industry, looking into companies such as Sony, Samsung, and Mitsubishi.

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Other players still

There are other players still in the graphics processor field, Via technologies comes to mind first, and isn't there a current card based on an AGEIA chipset?

If graphics cards are a high markup item, int this industry, people will pop into the market like lions in to feast on a wildebeast.... ()

**Posted by:** jmschattke@... **Posted on:** 12/04/06

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