

## Winston & Strawn Attorneys Secure Victory for Panasonic Corp. in Consumer Antitrust Class Action

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Winston & Strawn lawyers secured a victory for Panasonic Corporation in a consumer antitrust class action brought by indirect purchasers of secure digital (SD) memory cards, in which purchasers challenged the SD Card patent pool and licensing program. The Honorable Jeffrey S. White, U.S. District Court for the Northern District of California, dismissed the plaintiffs' first amended complaint with prejudice on statute of limitations grounds.

The plaintiffs' complaint mirrored allegations brought by Samsung Electronics Co. in a related case that has also been dismissed with prejudice. The plaintiffs claimed that Panasonic and co-defendants Toshiba Corp. and SanDisk Corp. established a standard for SD memory cards that incorporated technology owned by the three companies, and then required SD Card manufacturers to enter a license agreement with defendant SD-3C LLC — the three companies' jointly owned licensing affiliate — that imposed an "entry fee" that raised the cost for competitors to enter the market. Plaintiffs claimed that this "entry fee" was then passed on to them in the retail price of SD Cards.

The Court held that the plaintiffs' claims accrued outside of the limitations period because the conduct that allegedly caused permanent cost differentials occurred in the late 1990's and early 2000's, when the SD Card specification was publicly released and SD-3C licensing program began. The Court further held that the limitations period did not restart whenever plaintiffs purchased SD Cards at retail, because such a rule would effectively extend the limitations period indefinitely in indirect purchaser actions.

The Winston & Strawn team was led by partners [Jeffrey Kessler](#) and [Aldo Badini](#), and associates Susannah Torpey, and Diana Hughes. This team recently joined the firm from Dewey & LeBoeuf, where the case originated.

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