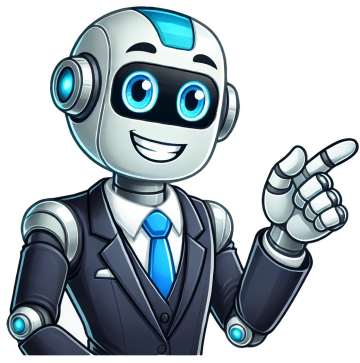


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Western Digital has succeeded in having the sum it owed from a patent infringement case reduced from \$553 million down to just \$1 in post-trial motions, when the judge found the plaintiff's claims had shifted during the course of the litigation. From a report: The storage biz was held by a California jury to have infringed on... read full story

"insufficient evidence from which the Court could determine a reasonable royalty." June 23, 2025, 8:54 PM UTC The Western Digital Corp. logo is displayed outside the company's factory in the Free Industrial Zone in Bayan Lepas, Penang, Malaysia, on Thursday, Oct. 10, 2013. Photographer: Goh Seng Chong/Bloomberg Ruling erases trial damages won by patent owner SpexLawsuit over infringing WD hard drives dates to 2016A federal judge in California erased a \$550 million-plus award against Western Digital Corp., ruling a patent owner presented flawed evidence on its damages from the external hard drive maker's patent infringement.Judge James V. Selna of the US District for the Central District of California upheld a jury's October finding that WD infringed a claim from a Spex Technologies Inc. patent but cut the award to "nominal damages in the amount of \$1" in an order dated June 16 but and entered into the court docket Monday. He said Spex failed at trial to separate out the value ... AI-powered legal analytics, workflow tools and premium legal & business news. Log in to keep reading or access research tools. © 2025 Bloomberg Industry Group, Inc. Western Digital has succeeded in having the sum it owed from a patent infringement case reduced from \$553 million down to just \$1 in post-trial motions, when the judge found the plaintiff's claims had shifted during the course of the litigation. The storage biz was held by a California jury to have infringed on data encryption patents owned by SPEX Technologies Inc in October, relating to several of its self-encrypting hard drive products. WD was initially told to pay \$316 million in damages, but District Judge James Selna ruled the company owed a further \$237 million in interest charges earlier this year, bringing the total to more than half a billion dollars. In February, WD was given a week to file a bond or stump up the entire damages payment. The verdict that WD storage devices, including some of its Ultrastar and My Book products, infringed on SPEX Patent No. 6,088,802 (the '802 patent) was upheld, despite the drive maker's applications for a new trial and for a ruling to overturn the findings. These came in the shape of a Rule 50(b) Motion for Judgment as a Matter of Law, which is basically an appeal for a judgment notwithstanding the verdict, and a Rule 59 Motion for Relief from Judgment and a New Trial. Judge Selna's decree is that WD's Rule 50(b) Motion be denied when it comes to the company's liability, but granted as to the level of damages awarded. "Throughout this litigation, SPEX's damages theory changed as certain evidence and theories became unavailable. At this stage, and for the reasons discussed, there is insufficient evidence from which the Court could determine a reasonable royalty," the judge wrote in the order. He cited [PDF] precedents where an award of damages was deemed unnecessary if the plaintiff could not "adequately tie a dollar amount" to the infringing acts. "Accordingly, the Court enters nominal damages in the amount of \$1," he stated. For this reason, the portion of WD's Rule 59 Motion regarding damages was declared moot, while the request for a new trial was denied. Despite the judge denying almost all of the storage firm's post-trial motions, its legal representatives Gibson Dunn claimed the reduction of damages "a significant win." "Prior to trial, Western Digital made a successful motion to exclude SPEX's damages expert. SPEX then tried the case and attempted to put on a damages case without a damages expert. Based on damages theories that were never disclosed, and legally improper, the jury awarded SPEX over \$250 million in damages," Gibson Dunn claimed in a statement sent to The Register. The court order gave SPEX seven days from the filing of the document, dated June 16, in which to respond. We asked the company for its reaction, via its attorneys, and will update if we get an answer. According to the document, the court excluded SPEX's damages expert at the post-remand summary judgment stage, and WD then filed a motion to preclude SPEX from presenting a reasonable royalty rate based on insufficient evidence and disclosure issues, but this was denied. SPEX presented a damages theory based on licensing efforts and supported by lay witness testimony at trial. The court granted WD's Rule 50(a) motion to eliminate this comparable license theory, but allowed SPEX to present a revised damages theory relying on evidence already presented at trial. The '802 patent at the heart of this case is entitled "Peripheral Device With Integrated Security Functionality," and defines a peripheral device, such as a portable hard drive, designed to perform "security operations" on data transmitted to a host computing device, or vice versa. © Western Digital has less than a week to file a bond or stump up the \$553 million it owes in a patent infringement case, after a federal judge on Tuesday denied the company a stay of execution while it tries to get the ruling overturned. The US storage biz was found by a jury in California to have infringed on data encryption patents owned by SPEX Technologies in October of last year, and told to pay \$316 million in damages. Last month, District Judge James Selna ruled that WD owed a further \$237 million in interest charges on top, bringing the grand total to more than half a billion dollars. READ MORE Which brings us to the current situation. On Friday February 6, WD asked the judge [PDF] to delay ordering it to cough up the damages, pending further court decisions on the drive maker's applications for a new trial and for a ruling to overturn last year's verdict in the patent judgement. Both are still making their way through the legal system. It was ruled in the 2024 trial that WD storage devices, including some of its Ultrastar and My Book products, infringed on Patent No. 6,088,802 held by SPEX (the '802 patent). Entitled "Peripheral Device With Integrated Security Functionality," this describes a device such as a portable hard drive, designed to perform security operations on data sent to or from a host computing device. According to legal news service Law360, WD argued SPEX did not establish that its storage devices perform "the identical function specified in the claim" of the patent, which dates to 1997. But Judge Selna did not see it WD's way, and on February 11 [PDF] ordered that WD had just seven days to allow for further discussions and/or the filing of a bond before the half a billion dollars comes due. In the order, the judge stated that: "The court has concerns about potential corporate restructuring, particularly given the fact the judgment is against only Western Digital Technologies, Inc." This likely refers to the pending split of WD into two publicly traded companies, one formed from its NAND flash memory division and the other from its hard drive biz. This de-merger, announced in October 2023, will effectively see the flash storage operation spun out under the Sandisk brand, while the other continues as Western Digital. According to WD's website, this planned separation of the company's flash business is due for completion on February 21. It would appear there is concern over how the split would affect the enforcement of damages. In its own February 7 court filing [PDF] opposing WD's application for a stay of judgement, SPEX states that: "WD is seeking to split the company into two separate companies (one for 'HDD' products and one for 'Flash' products)," and that "SPEX has no visibility into WD's reorganization, including when it will actually occur, which new company will be responsible for satisfying the judgment or whether it will be split between the new companies, or whether the new company (or companies) would be sufficiently capitalized to cover the judgment." SPEX also noted in its filing that WD also has another storage patent infringement judgement hanging over it. In August last year, the same court awarded German firm MR Technologies \$262 million in damages, later upped to about \$380 million with the addition of prejudgment interest. We asked Western Digital for comment. However, it is understood the company is likely to appeal both judgements. © The case is SPEX Technologies Inc versus Western Digital Corp, US District Court for the Central District of California, No. 8:16-cv-01799.