

## **GPT confident of winning libel case against German giant**

Avi Krawitz, THE JERUSALEM POST

Jul. 16, 2005

Rehovot-based start-up company Green Power Technologies Ltd. (GPT) received a major boost in its multi-million dollar law suit against Infineon Technologies AG this week, when a US court gave the green light to allow confidential documents brought there to be used in GPT's German case.

Eitan Cohen, CEO of GPT, told *The Jerusalem Post* that the documents, which reveal internal correspondence between the two companies, provides written support to its claims that the German semiconductor giant violated agreements and unfairly introduced to the market a product covered by GPT's intellectual property.

While procedure in the US court (District of Columbia), where a separate case filed by Infineon against GPT for patent invalidity was recently dismissed, allowed for the documents to be brought, a similar process of "discovery" does not exist in the German court.

GPT, which develops components and integrated circuits for the power supply and power management industries, initiated proceedings against Infineon in August 2003.

The two companies had been in partnership negotiations from the second half of 2001, during which GPT fully disclosed all key aspects of its product, including a 180-page design instruction manual. The company said that the

negotiations were protected by multiple non-disclosure agreements between the two companies.

Cohen explained that a few weeks after they revealed the sensitive information, Infineon withdrew from the partnership talks saying they didn't have the financial resources to continue. Soon afterwards, the German company started marketing a similar product despite previously saying that it didn't, he said.

"They were able to offer the product at low prices which we could not compete with," he added. "As a result we lost key customers and a supply vendor who went with the cheaper Infineon option."

Among these was a lucrative contract with Asian electronics giant Delta Electronics, worth tens of millions of dollars, and which signaled a surge in the Israeli company's prospects. It was when Delta withdrew that GPT started to look into what Infineon was offering their product is based on GPT technology.

Since then, Cohen said that it has been impossible to raise money and the company was forced to cut its staff dramatically.

Through the litigation in Germany, GPT is hoping to be compensated for its loss of profits, "certainly from the Delta contract" and other potential deals, and for an opportunity to reenter the market and as a leading competitor, with Infineon's product withdrawal. The company believes that it could have penetrated 30 percent to 40% of the market, which generates revenues of up to \$400m. per year.

"It's also a matter of setting standards for not allowing large corporations misuse information gained from smaller companies," said Cohen. "We are not looking to harm them, we just want fair compensation."

The court now awaits the opinion of a technical expert and Cohen said he expects a ruling within three to six months. A judgement in favor of GPT will usher in a second phase court procedure to determine the extent of the damage.

While Cohen is confident of victory, Infineon is set on fighting the case and was quoted in German daily newspaper *Sueddeutsche Zeitung* this week as saying that GPT's claims are unjustified, rejecting the breach of trust allegations, and the company it certainly has the resources to take it all the way. In 2004 it had revenues of 7.19 billion and employs over 35,000 people worldwide.

This has not phased the start-up, however, and Cohen said that GPT has the support of its funders and shareholders to see it through.

Founded in 2000, GPT has raised approximately \$5 million since its inception led by Formula Venture capital fund. It has five employees.