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## [NVIDIA's 'Chip Failure' Issue Goes to Court](#)

### *Lawsuit filed against the green company*



A lawsuit has been filed against NVIDIA regarding chip failure issue NVIDIA

It's been a while since the first reports of NVIDIA's issues with its notebook graphics chips made all the headlines. However, regardless of that, recent developments seem to indicate that the company is far from seeing the last of the effects of the problems it had with the reported faulty notebook graphics chips. That's because a lawsuit, just filed in a California court of law, could end up by significantly reducing NVIDIA's overall budget, while also casting a not too favorable light on its activity, at least as far as US customers are concerned. The lawsuit, citing NVIDIA as defendant and filed on Tuesday, alleges that the Santa Clara-based chip maker violated US security laws, by concealing the existence of a serious defect in its graphics chip for notebook systems. Apparently, the maker knew about the reported chip problem for at least eight months prior to the initial public report. According to court documents filed on the occasion, the company's CEO Jen-Hsun Huang and CFO Marvin Burkett knew about the problem that caused so many laptops to fail, as early as November of last year. Even so, the two officials decided to keep a low profile and to try to fix the issue without it reaching the general public. The Santa Clara-based green company acknowledged the flaw earlier this year, on July 2, when it also announced that it planned to take a one-time charge of up to US\$200 million to cover the warranty costs related to the failing chips issue. As we mentioned in several of our previous articles, the announcement had a significant impact on the company's stock price, which went down 31% to \$12.98. The lawsuit filed against NVIDIA was brought by New York law firm Shadow, Stone, Bonner and Rocco in the U.S. District Court for the Northern District of California, according to reports coming from the UK-based Inquirer. So far, NVIDIA has not officially commented on the news of the lawsuit filed against it.