



Ripple Lawsuit: Will a Win Move XRP's Price?

Description

Ripple Labs recently won a major procedural victory in the **XRP** ([CRYPTO:XRP](#)) lawsuit. It got Judge Sarah Netburn to refuse the SEC's request to have William Hinman's comments excluded from court — for a second time. Judge Netburn had already ruled that Hinman's comments, which undermine the SEC's case, were admissible. The SEC tried to get her to reconsider her prior decision and failed.

This isn't the first procedural victory Ripple Labs has won in the SEC lawsuit. It also racked up some wins on depositions and got the go-ahead to use the "fair notice" argument it had planned on using. It certainly looks like things are going Ripple's way. Yet these wins haven't moved XRP's price much. The token that Ripple Labs develops is still down for the year and, in fact, took a fresh new leg down after Ripple's last procedural win.

In this article, I will explore some reasons why that happened and attempt to determine whether XRP would rise in the event of a decisive Ripple Labs victory.

Broader crypto volatility

One possible reason why XRP is going down is because the crypto market as a whole is. Last week, **Bitcoin** ([CRYPTO:BTC](#)) experienced a minor crash, declining 4.4% from Tuesday morning to Friday afternoon. Cryptocurrencies tend to be highly correlated with each other, so it should come as no surprise that XRP is moving similarly to Bitcoin and **Ethereum** ([CRYPTO:ETH](#)). It is in the same asset class as those tokens, and all of them are experiencing significant volatility.

Lawsuit still isn't over

Another factor that could be keeping XRP from rising is the fact that the SEC's lawsuit still isn't over. While things appear to be going in Ripple Labs's direction, that doesn't mean that it will prevail in the end. Ripple could [get Hinman's testimony in court](#), get testimony from the judge who ruled that Ethereum isn't a security, and get all the depositions it wants and still ultimately lose in a jury trial.

Judge Netburn appears sympathetic to Ripple Labs based on the decisions she has made in the pre-trial hearings so far, but that doesn't mean much if this ultimately goes to a jury. Also, Netburn's decisions aren't exactly a guarantee of a favourable ruling: perhaps she just wants as much information admitted to trial as possible to ensure all possible arguments get a fair hearing. If that's the case, then all these pro-Ripple rulings don't mean Ripple will win in the end.

Foolish takeaway

2022 has been a big year for Ripple Labs and XRP. Between the lawsuit, RippleNet's [adoption by big banks](#), and the massive crypto volatility XRP has been caught up in, things have been proceeding at a rapid pace.

Ultimately, nobody can say for sure where XRP will go from here. A final victory in the lawsuit would appear to be a positive, as it would ensure that Ripple Labs can retain its resources to put them to work developing XRP. That doesn't necessarily mean that XRP will go on a huge rally, though. So, investors should play things safe and diversify their portfolios.

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