

I.B.M. Is Named In Antitrust Suit By Data Concern

By WILLIAM D. SMITH

The International Business Machines Corporation was named yesterday in its second antitrust suit in less than a month as the Data Processing Financial and General Corporation filed an action in Federal Court here.

The suit charges I.B.M. with numerous violations of the antitrust laws in its manufacturing and distribution of computer software and related products and services.

Data Processing Financial, a computer leasing concern, said that I.B.M.'s practices have prevented the company from achieving higher profits.

Charges Are Denied

I.B.M. denied the charges in an unusually lengthy statement for the computer industry giant.

A spokesman said, "I.B.M. considers Data Processing Financial's allegations to be completely without merit and denies that it had violated the antitrust laws. I.B.M. said it intends to defend the suit vigorously in the courts."

Data Processing Financial

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is asking the court for treble damages of \$1,054,500,000 as well as a division of I.B.M.'s manufacturing, leasing, maintenance and software operations into separate corporate entities. The company has petitioned the court to require each I.B.M. product and service to be marketed and priced separately.

Harvey Goodman, president of Data Processing Financial, said, "This lawsuit has been in preparation for nearly a year. During that time we have on numerous occasions discussed our grievances with I.B.M. in an attempt to resolve them without litigation. Our principal aim has been, and still is, to establish free and open competition in all areas of the computer industry.

"We believe that I.B.M. recognizes that major changes in its methods of doing business are necessary to achieve this aim, but we are no longer willing to accept the vague promises and foot dragging that has characterized I.B.M.'s past responses to our complaints."

Mr. Goodman went on, "Most of the specific practices which we as users are protesting are not really central to an action instituted by a competing manufacturer such as Control Data." Control Data Corporation filed an antitrust suit against I.B.M. in St. Paul, Minn., on Dec. 11.

The I.B.M. spokesman said that "the conditions to which Data Processing Financial apparently now objects were in effect at the time the concern went into business in 1961. Furthermore, they have been the basis of the relationships between I.B.M. and all of its customers for many years and have been well known.

"Since Data Processing Financial went into the business, I.B.M. has made several changes advantageous to the growing number of leasing companies. Mr. Goodman has publicly applauded a number of these changes."