

Suit Against I.B.M. Is Fourth in a Row

By LEONARD SLOANE

A \$900-million damage suit was filed yesterday against the International Business Machines Corporation, marking the fourth legal attack on the computer giant in the last four months.

The latest suit was brought by Applied Data Research, Inc., a computer software supplier, and charged I.B.M. with violation of the antitrust laws. In addition to seeking treble damages of \$903,837,000, it asked for the establishment of a rebate fund to return more than \$3.5-billion in alleged excess charges since 1959 to I.B.M. customers.

The action, filed here in Federal District Court, alleged that I.B.M.'s practice of setting a single price for its equipment and its software — the systems and programs that run computers — was unlawful. It asked for immediate separate

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pricing of all computer software and services.

An I.B.M. spokesman asserted late yesterday that he could not comment on the complaint because the company had not seen it. But, as in the three previous instances, I.B.M. said that it "denies that it has violated the antitrust laws in any respect."

'The Whole Route'

Other recent civil suits against I.B.M. were filed by the Control Data Corporation, another computer manufacturer, charging monopolization in the industry, and by the Data Processing and Financial General Corporation, a computer leasing company, alleging discriminatory policies against such concerns.

Then, on the last full day of the Johnson Administration, the Justice Department instituted an antitrust action against I.B.M., charging that certain manufacturing and marketing practices—in combination with the company's 74 per cent domination of the computer industry—precluded competition.

Richard Jones, president of Applied Data, said yesterday in a telephone interview: "We're prepared to go the whole route. It's pretty tough to sell something when the other guy gives it away free."

In its suit, the concern made the same charge in more formal terms. It said: "Because of its single-price policy covering an I.B.M. bundle of hardware, software packages, custom software and services and data processing and other related services, I.B.M. has contrived to hide the share of its revenue properly attributable to software as against hardware."

Applied Data also accused I.B.M. of committing "a fraud on the U. S. Patent Office by applying for and obtaining patents for computer systems based on software but disguised as hardware. Concurrently therewith, I.B.M. interfered with and sought to prevent software companies, including A.D.R., from obtaining legal protection for their innovations and software packages based thereon."