

IBM Names Memorex in Secrets Suit

SAN JOSE, Calif. - Memorex Corp., Santa Clara, Calif., last week became involved in its third litigation in the space of less than 2 months, when it was sued by IBM Corp. for wrongful appropriation and use of trade secrets and inducement of IBM employes to leave the firm and join Memorex.

The suit follows close on the heels of a suit filed last month by California Computer Products, charging Memorex with unfair competition, *misleading patents and a conspiracy* to monopolize the market for disk drives compatible with IBM equipment. The CalComp action was a countersuit filed after Memorex sued CalComp alleging patent infringement on Memorex's 630 and 660 disk files.

The IBM suit against Memorex asks no monetary remuneration other than court costs

Named as defendants in the suit are Memorex and its wholly-owned subsidiary, *Peripheral Systems Corp. (PSC)*. No individuals were named, but the suit asks the option of naming individuals when the identities of such defendants are discovered.

The suit centers on IBM's Merlin 3330 magnetic disk file, which was publicly announced in June, 1970, and is expected to be delivered in the fall of 1971. IBM alleges that Memorex and PSC are presently engaged in efforts to develop and produce a disk file similar to the Merlin and to be used in lieu thereof.

Currently Memorex markets its 630 and 660 disk files which are equivalent to IBM's 2311 and 2314, respectively.

Other than court costs, the suit asks the following: That the defendants be permanently enjoined from further appropriation and use of IBM trade secrets; from inducing any IBM employes to leave IBM through use of confidential information, that it be ordered that the defendants return to IBM all documents containing IBM trade secrets or confidential information, and be enjoined for a period of 30 months from producing, marketing or using any disk file, file control unit or component thereof which is interchangeable with IBM's Model 3330 Merlin file.

Memorex, in a statement issued the day after the suit was filed, called IBM's action "groundless" and wholly without merit. Claiming that it has been successful in replacing IBM disk equipment, Memorex said "IBM's objective clearly is to quash this competition before it succeeds more."

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