

# 2 Computer Companies Settle Suits

The Compaq Computer Corporation and Texas Instruments Inc. said yesterday that they had settled their 18-month battle involving charges of patent infringement, unfair competition and raiding of employees.

The dispute began when several top Texas Instruments engineers resigned in the space of a few weeks late in 1981 to create Compaq, which now makes one of the most successful portable computers on the market.

In a consent decree signed late Tuesday by Judge George Cire in Federal District Court in Houston, Compaq admitted that it had infringed on two of Texas Instruments' patents. While the terms of the agreement were not disclosed, Texas Instruments said yesterday that it had received a "substantial payment" from Compaq for licensing rights to an undisclosed number of patents. Both companies dropped all other claims.

"Basically, what we have got is a compromise," said Ken Price, a Compaq spokesman.

The case was one of an increasing number arising from the defection of key employees from major computer and electronics concerns. In this case, as in recent ones involving former employees of the International Business Machines Corporation and the Intel Corporation, the founders of the start-up company were charged with using proprietary information acquired in their former jobs.

Sources close to both companies

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# 2 Computer Companies in Settlement

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said the Compaq incident was particularly nettlesome to Texas Instruments. Since February, Compaq's 28-pound, portable version of I.B.M.'s popular personal computer has been one of the fastest-selling machines in the microcomputer market. Compaq is expected to have revenues of more than \$70 million this year.

Meanwhile, Texas Instruments has

been plagued with losses in the home computer field. On Tuesday, it said it would not introduce its 99/8 machine this year. The 99/8 is a more expensive and powerful home computer than its current model, the 99/4A. Earlier this year, the company introduced an I.B.M.-compatible desktop computer, called the Professional Computer, but conflicting reports have appeared about its sales per-

formance.

The shares of Texas Instruments rose  $3\frac{5}{8}$  yesterday, to  $122\frac{7}{8}$ , on the New York Stock Exchange. Compaq is a closely held company, and its shares do not trade.

### Infringement on Patents

When Texas Instruments filed suit against Compaq in January, it charged that the company's president, Rod Canion, and nine other em-

ployees, all former engineers for Texas Instruments, had stolen trade secrets and infringed on patents to develop parts for Compaq's portable computer. Compaq officials said at the time that the suit was "totally groundless" and that "no ideas and certainly no patents were taken from Texas Instruments."

But yesterday, Paul M. Janicke, an attorney for Compaq, said in the consent decree, Compaq admits that "we infringed two of their patents" in the portable computer. However, he said the infringements occurred in parts

Compaq buys from outside suppliers. He did not identify the suppliers.

"I'm not saying we did anything wrong," Mr. Janicke said. "This agreement was the easiest way to a long-term relationship with T.I.," which is still a major supplier to Compaq, he said. Compaq's countersuit, charging Texas Instruments with trying to drive it out of the computer market, was also dropped, according to Mr. Janicke.

Norman Neureiter, a spokesman for Texas Instruments, said: "We believe that our actions in this suit demonstrate that Texas Instruments

intends to protect its technology, including trade secrets and patent rights, and we will take aggressive action to do so."