

INSIDE THE STAR

FRANCE—President deGaulle of France strengthened his cabinet by promoting supporters of his Algerian policy.

Inside the Star

Continued from Page One



DeGaulle



Eisenhower



Norris



Weeks



Soustelle



Vihman

budget controls and election of two aldermen at large. ★ Page 9A.

CONTROL DATA — Control Data Corp. clicked off some solid financial gains in the first half of its fiscal year. William C. Norris, president of the Minneapolis firm, reports that sales for the six months ended Dec. 31 jumped 66 per cent. Net earnings for the period increased almost 700 per cent. ★ Page 11B.

Control Data Computes Sales Increase by 166%

Control Data Corp. of Minneapolis, which recently installed its first large-scale solid state computer, has clicked off some solid financial gains in the first half of its fiscal year.

William C. Norris, president, today announced sales for the six months ended Dec. 31 jumped 166 per cent, rising from \$1,462,685 for the last half of 1958 to \$3,889,273 for the last half of 1959.

Net earnings for the six months increased almost 700 per cent, climbing from \$31,697 for the 1958 period to \$249,518 the past half year. This was equal to 27 cents per share, against 4 cents per share a year ago.

Norris reported the com-

pany's backlog now stands at \$7,700,000, compared with about \$3,000,000 a year ago and \$5,660,000 June 30, 1959.

The company's first computer, the 1604, which is fully transistorized, has been accepted by the navy and is in operation at Monterey, Calif., Norris told stockholders.

A prototype of the small, desk-sized, transistorized digital computer, the model 160, has been completed and is undergoing tests, Norris said. This computer is intended for use in engineering calculations and general business data processing. The first 160 will be delivered about June 1.

Norris also disclosed the company is designing, testing and selling a group of miniature motors.

"Due to expanding sales of the computer division, additional floor space will be needed within the next year," Norris said.

"An architectural firm has been hired to design a new building for the company, but no decision has been reached as to when such a plant will be built or how it will be financed."

Control Data Denies Use of Sperry Rand 'Secrets'

Denying it is using any so-called trade secrets of Sperry Rand Corp., Control Data Corp. today filed its answer to Sperry Rand's amended complaint as ordered by the federal district court in Minneapolis in the lawsuit Sperry launched in April 1958.

The answer pointed out that prior to the time Rem-

ington Rand, now a division of Sperry, acquired Engineering Research Associates in St. Paul:

ERA WAS in the business of developing electronic data processing equipment.

REMINGTON Rand was in competition with ERA.

THE EFFECT of the acquisition of ERA was to limit competition and trade of electronic equipment in Minnesota and elsewhere.

THIS IS against the public interest and in violation of the laws of the United States and of Minnesota.

CDC's answer also said the plaintiff, Sperry Rand, is seeking further to restrain and limit competition by instituting the lawsuit and comes into court with unclean hands.

As part of the answer, William C. Norris, president of CDC and one of the defendants, filed a counter-claim, stating Sperry Rand owes him unpaid wages of \$17,000 and demanding judgment of \$17,000, plus interest, penalties and double statutory costs.

Sperry Rand Drops Plea on Control Data

By JAMES FULLER

MINNEAPOLIS.—Sperry Rand Corp. last week dropped its attempt to get a preliminary injunction against Control Data Corp., local computer manufacturer, to halt what it charges to be use of Sperry Rand trade secrets.

Counsel for Sperry Rand stated that "in order to avoid possibility of delay in connection with certain defense contracts, the motion for preliminary injunction has been withdrawn," without prejudice to its renewal.

The case, however, will still come up for trial, probably sometime in December or January, according to a U. S. District Court official.

Sperry Rand charged two years ago that Control Data was using certain devices developed by some Control Data employees when they were employees of Sperry Rand, and that Control Data president William C. Norris and others had hired or attempted to hire several key members of Sperry Rand research and development teams.

It also charged that these Control Data employees had made up a list of Sperry Rand customers while they were employed by Sperry Rand and that Control Data had used that list to compete with Sperry Rand.

No action was taken on the complaint until last July, when Sperry Rand filed motion for preliminary injunction.

A second court order, filed at the same time as the order withdrawing the motion for preliminary injunction, gave Control Data the right to disclose information contained in the files and records of the case to "a qualified computer engineer or other technically qualified person" of Control Data's choice.

It was stipulated in the order that Control Data must give Sperry Rand 10 days' notice in which to protest before releasing information to such a "qualified person." Court files on the case are closed to the public.

Purpose of the second court order is apparently to allow Control Data to present in court an "informed and impartial" witness as part of its defense when the case comes to trial.

ELECTRONIC NEWS, MONDAY, SEPTEMBER 19, 1960